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EDITORIAL COMMENT

The annual convention of the International City Managers' Association will be held at Dubuque, Iowa, September 13, 14 and 15.

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The Rochester manager charter has been generally sustained by the New York court of appeals, the highest court of the state. The court, however, rejected the non-partisan election provision of the charter on the ground that the local (charter) law did not specify what sections of the state election statute are to be suspended in favor of the local law. This the court finds to be necessary under the terms of the state home rule law. The first election will thus be of the partisan type, but the technical defect relating to non-partisan elections can be easily corrected later by action of the city council without the necessity of a referendum.

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Subjects for Baldwin Prizes for 1928

The following topics have been selected by the Prize Committee as the subjects on which Baldwin Prize essays may be submitted in 1928:

Extraterritorial Powers of City Planning Commissions.

Methods of Measuring the Effectiveness of Municipal Government.

Home Rule Charters for County Government.

Appointive Police Court Judges.

Should the City Manager Plan Provide for a Mayor Responsible for Effective Community Leadership?

The Baldwin Prize of $100 is offered each year by the National Municipal League for the best essay on some phase of municipal government by an undergraduate student in an American college. Manuscripts must be in the hands of the secretary of the League by May 15, 1928. For further particulars address the secretary.

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Taxes in Socialistic Vienna

In Vienna the annual tax on a Ford car amounts to $232. Wages are taxed at rates varying from $4^1/_{16}$ per cent to $8\frac{1}{2}$ per cent. The highest bracket in the house tax carries a rate of $36\frac{1}{2}$ per cent, and one householder pays $50,000 a year tax on his household servants. These are some of the sources of revenue utilized by socialistic Vienna and described in this issue by Dr. Abraham Sonne.

One-fifth of the governmental cost payments applies to the municipal housing program. The city owns and operates its street railways and its electric, gas and water works. Once

the capital of a large and flourishing empire, it is now reduced to the chief city of a small and impoverished state isolated by customs barriers. Yet the wonder is that Vienna as a municipality is absolutely sound financially, meeting even its high capital expenditures from current income. During the period of inflation Finance Commissioner Breitau proved more skilful than private speculators in reaping the rewards of profiteering. Considered as a government Vienna is richer than ever before. It remains to be seen, however, whether some of its taxes will not prove oppressive and with what fidelity to the public interest its vast properties will be managed when those who are at present at the helm will have turned them over to others.

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Municipal Banking in St. Paul and Birmingham

The operations of the St. Paul municipal "bank" described in this issue by Mr. Louis Dorweiler will be news to many readers. In its brief existence, the "bank" has gathered assets amounting to $10,000,000 and at least once has come to the financial aid of the city in an hour of need. It has also weathered a grand jury investigation, instigated by bankers whose fears of governmental competition are often exaggerated, and enjoys the confidence of the voters as expressed at a recent charter election.

Strictly speaking, the undertaking is not a bank at all; it is rather a device for making small individual savings available for city purposes. It sells ten dollar certificates to the people on which it pays four per cent. The proceeds it invests in municipal securities which pay a higher rate of interest. It thus comes in competition with savings banks and investment bankers dealing in municipal bonds. In some degree at least it encourages saving and tends to lessen the dependence of the city upon security dealers.

Although the St. Paul project provides a convenient investment for small savings, the need for it as a social agency is reduced through the activities of savings banks paying an equally attractive rate of interest. In England, however, the situation has been different and the Birmingham Municipal Bank, the first venture into municipal banking in that country, was designed to render a service which the large private institutions were neglecting. As a consequence of the War English workmen were drawing high wages but had few opportunities for investing their weekly savings at satisfactory rates. Interest paid on postal savings was too low to appeal to the now affluent worker, and it was felt that a savings bank paying a more reasonable rate would encourage thrift and assist in solving some of the financial problems of the municipality.

Consequently in 1916 the corporation organized a war-time savings bank which was succeeded in 1920 by the present Municipal Bank under special powers from Parliament. Today its deposits amount to more than 8,000,000 pounds made by more than 225,000 depositors, distributed among the central office and its forty-two branches. The interest rate on deposits is 3½ per cent. Withdrawals of small amounts can be made at any time but for large amounts notice may be required. The minimum deposit is one penny and the maximum 500 pounds in any one year. The bank is administered by a committee of the municipal council headed by Sir Percival Bower.

Loans are made to depositors to help them in purchasing homes. If you are a municipal tenant you can become owner of the house on deposit of one per cent of the purchase price; if you are not a sitting tenant a first payment

of 20 to 25 pounds is required for the purchase of a corporation house. The bank has thus been made an integral part of the municipal housing scheme, and more than 2¼ millions of pounds have been advanced for house purchases. The bank also affords an easy method of payment of water, electricity and gas accounts, which services are all owned and operated by the borough.

The officials of Birmingham are proud of the success of their bank. The idea has not spread as yet to other English municipalities but private banks are now beginning to establish convenient savings departments and it may be that the chief social purposes behind the Birmingham institution is thus being served in other communities.

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Senator Norris Criticizes the Model State Constitution

Senator Norris is an active and independent thinker and all members of the National Municipal League should be glad that he has turned his attention to the development of an improved system of state government. In common with many others, he feels that the present movement for administrative reorganization touches only one phase of the problem; that there are legislative and political difficulties of vast proportions remaining. Readers will therefore be especially interested in his letter printed below criticizing the League's Model State Constitution.

Naturally we do not agree with Senator Norris. To our mind legislatures will always be political bodies. Of course, politics should be restricted to its proper sphere and we agree heartily that it should not concern itself with the selection of administrative employees and control of administrative action. Because the prime duty of a legislature is to represent the people, we do not believe it will ever become a body of experts. Indeed, it is desirable that it should not. In the opinion of many Senator Norris' legislature would ripen into the finest bureaucracy which any country has ever seen.

His letter follows. Read it and write the editor what you think.

My dear Mr. Dodds:

I have received your copy of a Model State Constitution. There is much in it that I dislike, although it has some remarkably good features. Your argument for a one branch legislature it seems to me is unanswerable. But speaking of the constitution as a whole you still retain party control and that in my judgment is the largest evil of every state government. The state is a business institution. It ought to be conducted along non-partisan lines. There ought to be no such thing as a division along party lines in state, county or municipal matters. If there is any excuse for such a division, which I doubt very much, it exists in the national legislature where the parties are supposed to represent some fundamental principle of government.

The questions of state, county or municipal affairs are entirely different. Not a single one of them depends upon whether John Doe is postmaster at Podunk, or whether a Republican is sheriff of some county, or whether a Democrat is mayor of some city. None of them depends upon the tariff, or upon any other question of national importance where the parties are supposed to be divided. There is no reason why some man should be elected a member of the legislature because he believes in a protective tariff, or because he supported some particular man for president, or for some other office. Party responsibility is a deception and a fraud in most cases and it is particularly so in a state, in a county, or in a municipality. You have well stated that a two branch legislature is one where the responsibility is shifted—where one branch passes a law expecting and hoping that it will be defeated in the other branch. You might well have added that questions in dispute go into conference where they are decided in secret without anyone knowing where any particular member of the conference stands upon the subject, and when resubmitted to the houses the members are compelled to vote it up or down,

thus compelling them in order to get what they believed to be good to likewise get what they believed to be bad.

Then you provide for a legislative council elected by the legislature, which in turn selects a legislative clerk who appoints and supervises the legislative employees. The clerk who succeeds will make his trades even before election. He will trade his influence for the promises of the legislator who will vote for him for this clerkship. He will go farther. He will put in the deal an agreement to select any appointees who will be agreeable. This will be the place for trades, a division of responsibility, and the voter will never be able to know just who is responsible.

You anticipate leaders in the legislature who will represent their parties. This will take with it all the evils of partisanship and your legislature will be as bad as it is now, except that one branch will be abolished. Your co-ordination of the governor and the legislature will bring about trades between the governor and members of the legislature. If the legislature will be, as you provide, a large body, which you call representatives, composed mainly of men who you say are really not qualified to legislate, but who are going to get their information from the legislative council, you will find this body a political machine manipulated and controlled, and through this power and influence it will control and handle the members of the legislature.

Why not go to the root of the matter—provide for a smaller legislature, giving them salary enough so that you will get the best talent the state affords and let them get their information first-hand. Let them become experts. Pay them enough so that they can devote all of their time to government, making a business institution of it. Eliminate partisanship entirely, and elect all of its members on a non-partisan ballot, taking it entirely and completely out of politics.

Very truly yours,

G. W. Norris.

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Correction

We hasten to correct an unfortunate error in the editorial section of the August issue, page 490. John N. Edy continues as the efficient and successful city manager of Berkeley, California, and has not been succeeded by Mrs. Mabel Jensen as we had been informed. Mrs. Jensen is the city auditor, having been elected to that position in May, 1927. Also, the present population of Berkeley should have been stated as 80,000, instead of 50,000.

INDIANAPOLIS ADOPTS CITY MANAGER GOVERNMENT

BY MAURICE EARLY
Indianapolis Star

By a vote of 5 to 1 Indianapolis becomes the fifth large city to adopt the manager form. Population 360,000. :: :: :: :: ::

At a special referendum election June 21 the voters of Indianapolis discarded the mayor-council type of government and adopted the commission-manager plan by a vote of more than five to one. A feature of the campaign that preceded the election was that the political parties offered no organized opposition to the manager movement and did not resist its adoption at the polls. But the proponents of nonpartisan municipal government were active and rather thoroughly organized down to the wards and precincts.

LEADING FACTORS IN RESULT

There were many factors which created a public sentiment for a change in the structure of municipal government. Since 1914 the city has been nominally under Republican rule. In spite of the warring factions in the Republican party the Democratic opposition has been unable to muster a victory. Because of the operation of the primary system, party lines in recent municipal elections were broken and so called independent voting increased.

In 1921 the famous auctioneer mayor of Indianapolis, Lew Shank, was nominated on the Republican ticket as a result of a heavy vote for him in the normally Democratic sections of Indianapolis. In the next primary, 1925, the Ku Klux Klan was active in the nomination and later in the election of John L. Duvall, the present mayor, on the Republican ticket. Party lines were again swept away to a large extent. Therefore political party responsibility was largely a farce.

After the campaign for the adoption of the manager plan got under way this spring affidavits were filed by the Marion county prosecutor, charging Mayor Duvall, and his brother-in-law, the city controller, with violation of the corrupt practice act in the election of 1925. As far as the public was concerned this was fuel for the manager campaign.

But no fight was made by the city manager organization against the city administration. Instead the speakers stressed the advantages of the manager plan and insisted that partisanship had no place in municipal affairs. An active speaking campaign was conducted by the manager advocates. Most of the meetings were small community gatherings. The speaking campaign was opened by a dinner meeting at a hotel at which Mayor Murray L. Seasongood of Cincinnati was the speaker.

The rest of the speaking campaign was conducted by Indianapolis people. Only one mass meeting was held. This was Saturday night prior to the election. The largest auditorium in the city was obtained for that meeting and the attendance was not large.

But the vote of the election the following Tuesday was surprisingly large, considering that there were no person-

alities in the campaign and an abstract proposition was to be decided by the voters. Indianapolis has a potential voting strength of about 130,000. Not more than 100,000 votes are cast in municipal elections, however. The vote on the manager plan was 53,912 for and 9,954 against. Incidentally the vote for the manager plan exceeded the vote for Duvall, which elected him.

SIMS BILL HELPS

Unwittingly those who favor partisan government in municipal affairs removed the natural enemy of the manager plan during the 1927 session of the Indiana legislature. Under the Indiana constitution the form of municipal government is prescribed by statute passed by the legislature. Cities cannot write and adopt their own charters. In 1921 a statute was passed permitting any city in the state by a referendum vote to adopt either the manager, commission, or revert to the mayor-council type. Many referendums were held in smaller cities of the state after the enactment of that law, but only one, Michigan City, adopted the commission-manager system.

In nearly every instance the fight against the adoption of the manager plan was backed by the administration in power. When the legislature was in session last winter the mayors of Evansville, New Albany and Indianapolis were aware that city manager movements were to be prosecuted and elections demanded in June. As the law stood these mayors, if the manager movement was successful, would be ousted from office in the midst of their terms. In order to prevent this the Sims law was passed which provides that change in the form of government will not abridge the terms for which city officials were elected. In Indiana this means that the present mayors will serve until 1930.

While this law was opposed by those who favor nonpartisan municipal government it has worked to further their plans. As the city administrations cannot be effected by the change in the structure of government they were less prone to fight the manager plan. That was the case in Indianapolis.

A suit is now pending in the Indiana supreme court to test the validity of the Sims law. Another suit was filed in the Marion county courts to determine whether the first election of city commissioners under the manager system will be held this fall or in 1929. It was decided that no election can be held until 1929, and this decision has been accepted by the city manager organization.

THE CAMPAIGN

The organized movement for the manager plan started in Indianapolis during the primary campaign of 1925. The active leaders in the movement then and now were Charles F. Coffin, president of an insurance company, John W. Esterline, a manufacturer, and Frank Gates, active in the Indianapolis Real Estate Board. They formed a citizens' committee of 1,000 and obtained signatures of voters calling for the referendum. As the primary campaign was under way the manager proponents decided to wait two years before they would call for the election.

Under the law about 20,000 signatures of voters is needed to call a referendum election. Last spring the citizens committee obtained more than 33,000 signatures, which were filed with the city clerk, and the election was called.

Regular campaign headquarters were opened and Claude H. Anderson, an attorney, was placed in charge as executive secretary and organizer. A man and woman organizer were appointed and they proceeded to perfect

a thorough organization of ward and precinct workers.

An experienced newspaper man was employed as a director of the speakers and publicity bureau. A large amount of literature was distributed. Among the pamphlets distributed were "The Story of the City Manager Plan" issued by the National Municipal League, telegrams from the heads of Rotary Clubs in manager cities, giving indorsements of the system, an address by John W. Esterline before the Indianapolis Rotary Club, in which he submitted in detail the reasons for the adoption of the manager system, and other pamphlets quoting the local press. The newspapers of Indianapolis were a unit for the adoption of the plan.

The citizens' committee functioned as a political party. A poll was taken by volunteer workers. Automobiles were obtained for election day to help bring out the vote.

PREPARATIONS FOR ELECTION OF FIRST COUNCIL

Shortly before the election it was apparent that the manager plan would be adopted. Therefore the executive committee of the citizens' committee perfected a platform for the creation of the Indianapolis City Manager League. The business of the League is to elect persons of the proper type to the city commission and to prevent the capture of the new form of government by some minority group or by one or the other of the political parties.

On July 13 the board of directors of the league called a meeting of the ward and precinct organizers in the referendum campaign. They were instructed to work for a membership of 125,000 citizens in the league. House to house solicitation is to be made.

Immediately after the election the board of directors, consisting of about fifty men and women, adopted a resolution asking all friends of the manager system to refrain from being candidates for the city commission or from signing petitions for candidates. In the meanwhile the league directors hope to work out a plan whereby they may present a thoroughly popular ticket of qualified persons.

Headquarters are to be maintained even though it appears that the first election of the seven commissioners will not take place until 1929.

The chairman, Charles F. Coffin has been authorized to name a legislative committee to study the Indiana manager law. Indianapolis is to operate under this law. Many regard it as a very imperfect instrument for a city the size of Indianapolis. It will be the business of this committee to determine what amendments to the law are needed and to seek their passage at the 1929 session of the Indiana legislature. Weaknesses in the law can thus be corrected prior to the first election.

The Indiana law provides for a commission of seven who shall elect the city manager. He need not be a resident of Indianapolis or Indiana. No referendum, initiative or recall are provided. Probably one of the weakest features of the law is that the commission shall be elected by plurality vote. Any person obtaining signatures of voters equal to 1 per cent of those who voted in the last city election may run for the office of commissioner. This means that a candidate must obtain about 1,000 signatures. The seven receiving the highest vote in the election shall be declared elected.

The danger of this plurality system is recognized. Members of the board of directors are now studying proportional representation. It has not been determined whether the legislature will be asked to amend the law to provide for P. R. or for some other method of electing the commissioners.

ST. PAUL'S MUNICIPAL INVESTMENT BANK SUCCEEDS

BY LOUIS DORWEILER
St. Paul

The investment bureau of the sinking fund committee sells certificates in $10 denominations and buys back the city's bonds with the proceeds. Deposits total more than $9,000,000. :: :: :: :: ::

A NEW field of investment for the small purchaser has been developed in St. Paul. Through the investment bureau of the sinking fund committee the muncipality sells bonds to the citizens in multiples of ten dollars, making possible the purchase of sound securities at a fair rate of return. Through this system the city has bought back $9,086,900 of its $23,004,300 outstanding bonds.

The investment bureau of the sinking fund committee was created in 1913 to solve the problem of financing city improvements and meeting current expenditures. At this time the city found an unfavorable market for its 4½ per cent water works extension bonds, and for $2,300,000 tax levy certificates. The sinking fund committee, composed of the mayor, the comptroller and the commissioner of finance, devised the participation plan to meet this situation and opened the doors of the new enterprise to the public August 1, 1913.

CITY MAKES A PROFIT

The plan provides that the city of St. Paul shall sell participating certificates in multiples of ten dollars to its citizens or anyone who desires to buy them. Each investor is limited to $2,500 in certificates unless specially authorized by the investment committee to purchase a greater amount. This provision was inserted in the rules to prevent evasion of the money and credits tax levied in Minnesota. The certificates are payable on demand, but the sinking fund committee may, at its discretion, require sixty days' written notice as a prerequisite for cashing the "bond," a privilege which has never been exercised. The city buys securities with the money realized from the sale of the certificates, and is restricted to purchasing city of St. Paul bonds.

The bonds purchased by the bureau from the proceeds usually bear between 4 per cent and 5 per cent interest. The certificates bear 4 per cent from the time of purchase until the investor cashes his "bond." If the certificates are not redeemed interest is paid semi-annually. The expenses of operation, which amounted to $8,659 in 1926, were paid by the difference between the interest realized from bonds and that paid the certificate holders. The bureau made a profit of $23,071.45 in 1926. The following statement will clearly show the income, expense and yield to the "bank":

	Per Cent
Present yield	4.457
Interest paid	4.000
Gross yield	.457
Overhead	.098
Net yield	.359

DEPOSITS GROW RAPIDLY

Each certificate represents a share in a city bond, backed by the faith and credit of the city, its bonds, taxes and

property. It gives the small investor the advantages accruing to the bond holder, for in reality the investor buys bonds in small demoninations. It has an advantage over the postal-savings banks because it pays a rate of interest 2 per cent higher. It has advantages over the savings banks in that the credit of the people is behind every certificate, and a depositor may withdraw his money at any time with interest to date. The bank has prospered from the start.

It has never advertised. The day before the bureau opened, the newspapers presented the plan in detail and in the first three months $150,000 in certificates were sold. At the end of the first eight months the city had sold certificates to the amount of $1,450,920. The total withdrawals during this period were $284,860, leaving a balance of $1,166,160 in the treasury. This amount represents deposits of approximately 2,000 individuals, who held 7,520 certificates. The majority of these certificates were issued to laboring people who make weekly or monthly deposits. The police and fire pension funds along with many trust funds are also invested in the bureau. On January 1, 1927, deposits totaled $9,275,620. It is interesting to note that during the years of bank failures deposits increased more rapidly than in other years.

GRAND JURY INVESTIGATES

In March, 1916, the grand jury headed by a prominent banker, after investigating the bureau, condemned it on the ground that it was not conducted along the best lines of finance and that its charter did not authorize the city to conduct such an enterprise. But the state public examiner, who investigated it, approved the plan and praised the sinking fund committee for their far sighted policy. The bank's opponents then appealed to the state banking department, but this department refused to take action.

As a result of this grand jury report the people started a run on the bank. During its first day, April 1, 1916, the bureau paid out $115,430. The run continued for three days. To meet the demands of the people, the commissioner of finance easily converted the bonds into cash, which he paid out to the depositors. On April 4 the people, finding they had become alarmed over nothing, begun to redeposit their funds.

When the city attorney approved the plan he did it on the ground that the bank was organized under a provision of the city charter authorizing the sinking fund committee to buy and sell city bonds. To be sure that no one would condemn the bank again on its legality, the commissioner of finance prepared a charter amendment, but the charter commission, influenced by outsiders, rejected it. A petition was then drawn up to submit the amendment at the next election, and it was adopted by a large majority on May 2, 1916.

The amendment provides that (1) the sinking fund committee can purchase and make sales for the sinking fund to serve the best interests of St. Paul; (2) bonds of the city of St. Paul and interest bearing certificates of the city held by the sinking fund committee may be sold in fractional parts and in multiples of ten dollars; (3) those that are sold in whole or fractional parts must be kept separate from other securities held by the sinking fund committee, and a complete record of these securities shall be kept by the commissioner of finance and a duplicate copy by the comptroller; (4) the sinking fund committee shall have the power to determine the interest paid on certificates of part ownership; and (5) all profits from fractional sale and pur-

chases shall be credited to a special fund and all expenses incurred in such operations shall be charged to this fund.

BUREAU AIDS THE CITY

From this time the bureau made steady progress, showing a profit each year on its own transactions. In June, 1920, it suffered a loss of $67,569.61, resulting from the sale of its securities on the open market to make possible the purchase of tax levy certificates that could not be sold. It was imperative that the sinking fund committee do this to meet the city payroll and other immediate expenses. This deficit has been steadily reduced through earnings, and the books showed a surplus of $26,291.87 on January 1, 1927.

The books of the bureau are audited daily by an employe of the comptroller's office and annually by the state comptroller. To reduce further the tendency to fraud the commissioner of finance, early in 1921, requested all holders of participating city bond certificates issued prior to January 1 of that year to exchange them for registered, non-transferable certificates. A duplicate certificate is kept by the city. At the same time a card index system was installed in which the signature of the holder and the amount of the certificate is recorded. By calling in certificates for exchange, the deposits of the bureau were increased. The holders of old certificates purchased additional ones in spite of the fact that money was commanding a higher rate on the outside market.

The benefits to the city from this plan are manifold:

1. It tends to increase the price of St. Paul bonds because of the competition it furnishes investment houses.

2. It enables the city to finance without delay improvements that could not otherwise be undertaken.

3. It enables the small investor to invest his money with absolute security and to receive a moderate rate of return.

4. It serves to keep money in the St. Paul district that would otherwise be sent to other money centers in the form of interest payments.

5. It tends to make better and more intelligent citizens, for it brings a closer connection between the city and its citizens.

THE FISCAL POLICIES OF SOCIALIST VIENNA

BY DR. ABRAHAM SONNE [1]

The municipality of Vienna is sound financially in spite of the ruin of the war and extensive socialistic undertakings. Controlled rents make dear money and some taxes, like that on wages, are probably unwise. :: :: :: :: :: :: :: :: :: ::

EVERYWHERE in post-war Europe there has been a marked expansion in the so-called welfare functions of governments. In Germany, for instance, the cost of welfare activities at the present time averages around 32 per cent of the total of all public costs. Before the war the proportion was only 12 per cent. Few European cities have traveled farther along the path of socialized expenditure than the former capital of the Hapsburgs, the "new" or "red" Vienna as it is popularly called by virtue of the socialist complexion of its ruling majority.

At the present writing, fully 40 per cent of the total governmental cost payments of the municipality of Vienna, or approximately $28,000,000 (200,000,000 S), represent disbursements for welfare purposes. More than half of this amount applies to the cost of municipal housing projects. Possessing title to some 36,000 dwelling houses, the city of Vienna is today perhaps the greatest landlord in the world. The extensive program of municipal home building was largely forced upon the city as the result of protective rent legislation originally adopted in 1915 for the duration of the war but continued ever since. This legislation not only affords the most far-reaching protection against eviction but also dictates a fixed rent, thus practically effecting community ownership. The property owner receives in paper kronen, 5 per cent of the pre-war gold valuation of his house. (One paper kronen equals 1/14,400 gold kronen.) Obviously the rate of return allowed is not sufficient to attract new private capital into the housing field, and the program of municipal construction was, therefore, inevitable.

The new duties and responsibilities which the municipal government has assumed since the revolution has naturally resulted in a vast increase of public expenditure. Judged even by the standards of wealthy American cities, the cost of government in Vienna would be considered high. Vienna has a population of 1,800,000 inhabitants. Its budget for 1927 reached a total of $67,750,000 (481,565,270 S). By way of contrast it might be pointed out that Philadelphia, with a population of approximately two millions, had a budget of only $73,733,000 for 1926, although Philadelphia is not particularly noted for the economy with which it conducts its municipal affairs.

As regards wealth and taxable capacity, the two cities are on entirely different planes. Vienna is a big city

[1] Dr. Abraham Sonne, who studied in Vienna and Berlin, is not only a trained economist but a student of European philosophy, languages and literature. Before the war he was a lecturer at the Teachers' College in Jerusalem, and after the war was for a time executive secretary of the Zionist organization. He is at present living in Vienna.

which has been cut off by the peace treaty from its economic hinterland. It has been impoverished and almost ruined as a result of the war. Nevertheless, in spite of the economic difficulties with which it has constantly been beset, the city administration has, without resorting to loans, somehow managed to raise by taxation the enormous sums necessary to finance its social program. Today the city of Vienna has a cash balance in its treasury which the officials of the most opulent American cities might well envy. What is the nature of the revenue system by means of which this seeming miracle has been accomplished?

VIENNA'S PRESENT GOVERNMENT

Before considering in detail the various sources of municipal revenue, it may prove instructive to take a hasty glance at Vienna's present machinery of government. The Viennese municipal council comprises one hundred and twenty members, of whom seventy-eight at present belong to the Social-Democratic party. The council elects the mayor and the city senate, which now consists of twelve members. Administrative activity is organized into eight departments. At the head of each department is a city councillor chosen by the council from the membership of the senate and holding office for five years. The city administration, therefore, has its basis in the mayor and the city councillors.

The Viennese municipal government enjoys an unusual degree of local autonomy. "Little Austria" gave itself a constitution, which in spite of narrow territorial boundaries provided for a federation of states. Each state has its own legislative assembly. Vienna was separated from the old province of Nieder-Oestereich and given the status of an independent province of the Austrian Republic. The Viennese municipal council consequently exercises a dual function. It is a provincial as well as a municipal legislative body. Similarly the mayor, in addition to his municipal duties, exercises the functions of a provincial governor. The senate also acts as a provincial as well as a municipal body. In addition, the senate acts as a court of appeals against the decisions of the council.

It will be seen that Vienna is at one and the same time a municipality, a political precinct and a province. To the city council in its capacity of provincial assembly, as to all other state diets of Austria, belongs the power of legislation, in so far as this power does not conflict with that of the national parliament. As a state legislature the city council is empowered to prescribe and levy taxes. This far-reaching autonomy made possible the adoption of Vienna's new financial policy, credit for which belongs to her most distinguished and also most severely criticized councillor, Herr Breitner, commissioner of finance.

Before the war almost half of Vienna's revenues consisted of the city's share of the state tax on house rents. This tax absorbed 40 per cent of the peace-time rentals of house owners, and was divided between the state and local governments. In addition, the city had at its disposal the proceeds of a consumption tax on meat, alcohol, etc., and realized a net profit on its municipally owned public utilities (street railways and electric, gas and water works). After the revolution, the new régime found itself confronted by an empty treasury. Moreover, price inflation had diminished the yield of the tax on house rentals. It was at this juncture that City Councillor Breitner, who had formerly been a bank director, introduced his new scheme of taxation. The present tax revenues of the city may conveniently be divided into three

general groups: (1) luxury taxes, (2) business taxes and (3) federal taxes in the proceeds of which the municipality shares. At the beginning of the year 1926 over twenty different municipal taxes were in force.

LUXURY TAXES

The so-called luxury taxes comprise the following specific imposts:

1. *Amusement tax.* This varies from 5 per cent to 33⅓ per cent of the gross receipts derived from theatrical and other exhibitions and performances. Preliminary estimates for 1927 place the expected yield of this tax at $1,893,000.

2. *Food and drink tax.* This amounts to 15 per cent of the gross receipts of restaurants and food establishments designated as coming within the luxury class. The ordinance provides that the number of enterprises to be so classified may equal a third of the total number of food and drink purveying establishments within the city. Preliminary estimates for the current year place the yield of the tax at $1,829,000.

3. *Automobile tax*, figured on a basis of horse-power. The annual tax on a Ford car, for example, amounts to $232.

4. *Tax on house servants*, where two or more servants are employed. For the second servant the tax is $7 per annum. For each additional servant, the tax is $35 greater than for the previous one. In the case of male servants the rate of the tax is doubled. At the close of 1925 the number of households paying this tax numbered 7,864. One large establishment with 39 servants is known to have contributed over $50,000.

5. *Taxes on animals and commodities.* These include a tax on horses, a tax on dogs and a 12½ per cent sales tax on articles of luxury. The latter has recently been taken over by the federal government as part of a sales tax on commodities.

BUSINESS TAXES

The second general group of municipal imposts are designated as business taxes. The most important of these may be enumerated as follows:

6. *Tax on wages* (*fürsorgeabgabe*). This is fixed at $4^1/_{16}$ per cent and in the case of banks at 8½ per cent of wages and salaries actually paid out. It is imposed upon the business enterpriser regardless of whether his undertaking yields a profit or not and may not be shifted to the wage earner. Despite its name, the tax is not levied for any special application. Its yield for 1927 is estimated at $4,967,000.

7. *Privilege taxes* on printers, booksellers, hotels, etc.

8. *Lodgings tax* on hotels and boarding houses, ranging from 10 to 20 per cent of room rentals. In the case of room and board, 33⅓ per cent of the total receipts are taken. The revenue from this source is estimated at $633,000 for 1927.

9. *Placard tax.*

10. *Advertising tax* on newspaper insertions.

11. *Tax on voluntary auctions*, art sales, etc., 7 per cent of the gross receipts.

12. *A series of administrative fees.*

13. *Fire insurance tax*, one third of the gross premiums.

14. *Water power tax.*

15. *Land tax.*

16. *Unearned increment tax* on transfers of real estate, steeply graduated as to rates.

17. *House tax.* A progressive tax on the pre-war rental value of houses, reckoned in gold kronen, and imposed on all householders. The highest bracket carries a tax of 36½ per cent. Estimated yield for 1927, $4,967,000.

The municipality benefits hugely

through its participation in various federal taxes such as the business tax, the personal income tax, the tax on income from investments, the corporation tax, local additions to the real estate tax, etc. Its share of the proceeds of these taxes ranges from 40 to 50 per cent, and in one particular case reaches as high as 80 per cent. According to the report of the federal department of finance the municipality's receipts from federal sources amounts to approximately $14,773,000.

WHAT THE BUDGET PROVIDES FOR

The budget for the year 1927, which Councillor Breitner has recently made public, provides for a total expenditure of $67,750,000. This represents an increase of $7,191,000, or 10 per cent, over the preceding year. The receipts are estimated at $58,276,000, which is likewise 10 per cent above the receipts of the previous year. It will be seen that there is estimated revenue deficit of $9,474,000, which will be provided for out of the existing treasury surplus.

It would be a mistake, however, to take the threatened deficit too seriously. After the fashion of many very wealthy people the commissioner of finance seems to have a keener eye for impending deficits than for surpluses. As a matter of actual fact the receipts of the last few years, especially the proceeds from federal taxes, have considerably exceeded the preliminary estimates. Thus, the final balance for 1925 showed a revenue surplus of $7,964,000, although a deficit of $8,300,000 had been predicted.

The outstanding feature of the 1927 budget is the size of the appropriations for capital outlays which amount in the aggregate to about $42,000,000. Of this sum approximately $16,600,000 have been appropriated for housing construction. During the three years from 1924 to 1926 inclusive the city spent a total of $37,426,000 in carrying out its municipal housing program. The appropriation for the present year will just about finance the construction of 9,000 dwellings.

In addition to housing, the budget provides for many other capital outlays having to do with welfare activities. Appropriations have been made for the construction of additional public baths, public parks and gardens, athletic fields and playgrounds. Provision has likewise been made for the improvement of the water supply system, and for the extension and improvement of the system of public markets, cold storage warehouses, etc.

For current social service activities the budget carries an appropriation of approximately $10,300,000. The long drawn-out period of unemployment shows its effects, not only in the growth of disbursements for unemployment relief, but in the increased requirements of all other welfare departments. Allowances to destitute families and the upkeep of municipal institutions, especially insane asylums, exhibit a marked upward trend. A similar situation exists as regards the care of the tubercular. In this connection mention should be made of the increasing emphasis being placed on the care of infants and children, which has been responsible for a heavy increase in expenditure. For the first time in the city's history a special item has been provided in the budget for the development of athletics and physical education.

ARE RESOURCES ABLE TO MEET THE STRAIN?

Are the financial resources of the city adequate to finance its ambitious social program? An idea of the productivity of Vienna's present revenue system may be gained by comparing its income with that of the federal government. The

total annual revenues of the federal government, excluding amounts returned to the states and localities, average around $129,500,000. As previously pointed out, Vienna's estimated revenues for 1927 reach a total of over $58,000,000. The city's standards of public administration are considerably higher than those of the national government. This is brought out by the fact the average salary of municipal officials is 30 per cent greater than that of national officials.

Even more striking evidence of the secure financial position of the city may be cited. Its revenues include an item of $942,000 representing interest received on current cash balances. Another item of $1,300,000 represents interest received from investment institutions and banks. If these two items are capitalized at 6 per cent, it becomes evident that the city possesses a fortune in liquid funds aggregating in excess of $36,000,000. This is certainly a most unusual tax reserve! It fails, however, to furnish a complete picture of the total resources of the municipality, since it does not take into account the city's very extensive investments in various industries, particularly public utilities. Up to the present, the administration has declined to make public any information as to the total net worth of the city.

In view of the above situation, it is easy to understand the increasingly lively protests emanating from business and industrial circles against the fiscal practices of the city and against the multiplicity and vexatious character of its taxes, not to speak of their effect upon industry. Vienna has an overwhelming importance in the economic life of the Austrian Republic. That little country is located at the very seat of the economic illness with which Europe is now afflicted. It is hemmed in on all sides by tariff barriers. After the tremendous losses of the war and of the subsequent periods of inflation and deflation with their train of evils resulting from speculation, it is little wonder that Vienna finds the burden of taxation an exceedingly grievous one. Active opposition has developed to the policy pursued by the municipality in financing its extensive program of capital improvements entirely out of the proceeds of taxes and without recourse to loans. It is contended that the spreading out of this burden over a longer period of years through the flotation of a loan would be more appropriate to the needs of an economically weakened generation.

It is maintained that the taxes on business, especially, have a tendency to destroy capital. It is pointed out, for instance, that such a crude measure as the tax on wages cannot possibly be uniform in its effects, nor conform to the principle of taxation according to ability. Since it pays no attention to the earning capacity of business enterprises, it is extremely likely to appropriate the actual capital source. There can scarcely be any doubt that taxes of this kind have the effect of postponing necessary readjustments and improvements and of suppressing competition.

With the breaking up of the mortgage market through its rent legislation, Austria deprived herself of a most important basis of credit. Before the war, the aggregate volume of outstanding first mortgages totaled at least double the amount of Austria's present League of Nations' loan and the interest rate, moreover, was only about 3 per cent. Today, credit on first mortgage security cannot be obtained in Austria for less than 12 per cent.

On the other hand, it must be borne in mind that a lifting of the rent laws would require a radical increase in wage and salary levels, which the industry of the country, under present conditions,

would not be in a position to stand. Under the existing situation, the protective rent legislation cheapens labor costs, but it makes money exceedingly dear. Any change in the present rent measure is highly problematic. Such being the case, if the municipality continues its program of capital extensions and improvements the problem of floating a loan will have to be faced sooner or later.

The present municipal administration came into power during a time of dire distress, and this fact colors all its policies. It will stand to the lasting credit of Finance Commissioner Breitner that he proved more skilful than the private speculators in reaping advantages for the municipality during the catastrophic period of inflation. He profiteered, but his gains inured to the benefit of the city. There is no doubt that the ownership of much of the property which he accumulated would have passed into foreign hands had it not been for his efforts. He won a fortune for the city and invested it in productive municipal enterprises and improvements.

The city of Vienna is today practically free of debt and, considered solely as a government, richer than ever before. No better credit risk could be found in all Austria. Yet the municipality has up to the present shown no especial desire to utilize that credit. Perhaps it finds it difficult to emancipate itself from the methods through which it became powerful and which at the time were both legitimate and necessary. Nevertheless, one could not go very far astray in hazarding the opinion that the economic interest of Austria as a whole, even were it under the complete domination of the Social-Democratic party, would be furthered by a change in the present financial policies of the city.

HOUSING IN CANADA

BY BLEECKER MARQUETTE

Executive Secretary of the Better Housing League and the Public Health Federation of Cincinnati, Ohio

Prices of urban land in Canada are from 100 to 750 per cent higher than in England. :: :: :: :: :: :: :: ::

The Research Committee of the Social Service Council of Canada after careful consideration selected housing as one of the major subjects for consideration during 1926. The committee reached this decision because of its conviction that Canada has a housing problem and that something must be done to check its development if the Dominion is to save itself future trouble. The committee appointed A. G. Dalzell a consulting engineer of Toronto to study the situation. This report is confined to a paper by Mr. Dalzell entitled "Housing in Relation to Land Development" in which he expounds his theory that bad housing is largely the result of an unsound land policy.

While a large proportion of Canadian citizens are fairly well housed, perhaps a larger proportion than in many other countries, there are, nevertheless, slum areas in most of the large cities, indicating the danger that the evils of housing which have developed in the

older countries may be repeated in Canada.

People familiar with housing in the United States are not surprised that Mr. Dalzell finds that Canadian cities and towns have their quota of bad housing. Nor are we surprised to learn that single family dwellings are not being built for poorer families nor that the poor have to live in the left-over dwellings and tenements. The problem that Canada faces is to a large extent the same as our problem, except perhaps to a smaller degree. With Mr. Dalzell's statement that "every effort should be made to encourage families to install modern conveniences in country homes" we can agree. There can be no quarrel either, with his conclusion that "the development of small communities must be guided and controlled in the early stages and that provincial regulations are needed to prevent the creation of rural slums outside of cities.

HOUSING IN URBAN COMMUNITIES

Convinced that there is little hope of any relief in the cost of actual building operations, Mr. Dalzell pins his hope for low cost housing on reduction in the price of land and the cost of improving land. He presents a considerable fund of interesting data showing the great loss entailed in the haphazard land development which spreads out communities unnecessarily, the result of which is undeveloped land through which the community has laid street pavements, sewers and other utilities at great expense. Many sections of Canada, he contends, are not able to afford the cost of proper community development and maintenance due to this careless land development. He also quite properly condemns the practice of dividing home sites into narrow lots, many of which are not more than 20 or 25 feet in width. He cites one city with a population of 50,000 people so sub-divided that if all the lots were built upon, this small city could take care of a population of over one-half million people within its present limits.

Mr. Dalzell contends that land values are extraordinarily high in Canada due to this practice. He quotes a well-informed United States authority to the effect that "land values in Canada in proportion to population are in excess of those prevailing in any other region of the world." Land in Great Britain can be secured for $940 an acre as compared with costs running from $1,900 to $8,000 an acre in Canada. A by-product, he claims, is congestion in spots and on the other hand unnecessary dispersion of population. Housing surveys in some of the Canadian cities show an alarming tendency toward room overcrowding with a constantly increasing number of families living in a single room.

In his final summary the author states "Zoning and housing laws are required to ensure that dwellings, even if built in accordance with building by-laws, are at the same time protected as regards their surroundings. More attention needs to be paid to the construction of dwellings so that they can be kept warm in severe weather without the excessive expenditure of fuel. Regulations are needed to control the placing and the building of multi-family dwellings so that they do not harm the single family dwellings."

One is somewhat disappointed that Mr. Dalzell's report dealing as it does almost wholly with land development fails to point out a definite method by which the evils of which he complains can be corrected except as city planning and zoning may help. Even if the land problem in Canada could be solved might not high building costs

make it just as difficult there as in the United States to construct low cost houses? Unless some other method than decreasing land costs is worked out it seems likely that the poorer families in Canada as in the United States will continue to live in left-over houses.

KENTUCKY ADVANCES IN MOTOR COACH REGULATION[1]

BY JOHN J. GEORGE, JR.
University of Michigan

A new officer, the commissioner of motor transportation, is charged with full responsibility for motor bus regulation. :: :: ::

THE modest beginning made by Kentucky in 1924 in motor coach regulation soon proved inadequate, and before the end of 1925 plans for improving that regulation were taking form. In 1926 a comprehensive scheme of regulation was enacted and a new regulatory agency was put in operation.

Jurisdiction over motor transportation was taken from the highway commission, and placed in the hands of a new and independent administrative agency, the commissioner of motor transportation. The commission is appointed by the governor for four years, and responsible to the governor. Ex-Senator Kelly, in immediate control of motor coaches under the state highway commission since 1924, was promptly appointed to the post. Aiding the commissioner are two assistants and an inspector, all chosen by the commissioner and responsible to him.

Any person desiring to operate motor coaches over the roads of the state must now secure a certificate of convenience and necessity from the highway commissioner, who may grant or deny the application. Certificates must be renewed annually.

[1] Mr. H. W. Barkhau has assisted noticeably in the collecting of material for this article.

RELATION OF COACHES TO RAIL-CARRIERS

When application for a certificate of public convenience and necessity is made with the intention of competing with a rail-carrier, the commissioner determines whether the existing rail service is adequate. In the instances where rail service has been deemed sufficient, certificates have been denied non-rail applicants; likewise where existing service as furnished by rail and coach is judged adequate, further certificates to operate coaches have been refused.

In granting certificates to establish coach service on a route hitherto without such service, or with inadequate service, the commissioner recognizes no "priority" claims as attaching to the rail-carrier as over and against the non-rail applicant. It is primarily a matter of who files application first. If a coach operator or a would-be coach operator files application ahead of rail-carrier, and satisfies the commissioner that he is willing and able to furnish adequate service, he will get the certificate.

Thus far, rail-carriers have shown little desire for certificates to operate coaches. Their earlier attitude of quasi-contempt for the newer mode of

transportation is tending toward one of open hostility now, as evidenced in their increasing protests against recent applications for certificates by non-rail parties.

In view of this situation proper coördination of coach and rail service, constituting as it does an important feature of regulation in some states, is not only non-existent in Kentucky but cannot be expected in the near future.

Granted a permit to operate, the recipient must now deposit with the commissioner a satisfactory liability insurance policy or bond, the amount ranging from $10,000 maximum for a 1- to 7-passenger vehicle, to $20,000 for a 21- to 30-passenger coach. To this requirement against personal injury liability is added a requirement of $1,000 insurance against property damage regardless of the size of vehicle. In lieu of the insurance the commissioner may accept a financial statement of applicant showing him able to pay damages that may be declared against him in the course of operating the coach line. Since the cost of this insurance on the average 24-passenger coach in Kentucky amounts recently to about $315 a year[1] the operators can be depended upon to seek a waiving of the insurance requirement. Here is a broad discretionary power in the hands of the commissioner, and one the exercise of which requires a high degree of efficiency and a keen sense of justice, fraught as it is with great dangers to the non-favored operator and to the patronizing public.

As a pledge of good faith the recipient of a permit must begin to operate within sixty days. This provision of the law emanated from the commissioner, who is stoutly opposed to an operator's preëmpting a route and neglecting to develop it until more favorable circumstances develop.

[1] Statement F. M. Rice, President, Transit Underwriter's Corporation, Chicago, Ill. This company has issued about 75 per cent of the motor coach insurance in Kentucky.

SAFETY REQUIREMENTS

Safety requirements have been noticeably tightened up. Satisfied as to the experience of the driver and physician's statement of his physical fitness the commissioner issues to him a driver's certificate for which he pays a fee of $12.50; the certificate is renewable annually, the same fee being paid for renewal. A driver's badge is issued to the applicant who wears it while on duty. The caliber of the coach drivers has been much improved; yet the requirements are not unduly restrictive as seen in the fact that 90 per cent of the applicants are granted certificates.

Further safety requirements are expressed in provisions that no load shall exceed 25 per cent above seating capacity, that no passengers shall be allowed to ride on running boards, that the maximum width of vehicles shall not exceed 90 inches, and that the speed limit on open highways shall not be greater than 40 miles an hour. Municipalities, allowed under the law to prescribe speed limits through their jurisdiction, usually specify 15 to 20 miles per hour.

RATES OF FARE AND TRANSFER OF LINES

In his application for permit the prospective operator sets forth his proposed tariff schedule on the basis of such factors as topography, condition of highway traveled and the rates charged by other carriers; and the commissioner either allows or disallows the proposed fares. Since the operator at the first of every year must indicate to the commissioner the rates he wishes to charge for the ensuing period, the fare is automatically reviewable by the commissioner annually, and more fre-

quently if necessary. Sometimes a fare of 6 cents per mile is permitted in the mountainous districts, while 3½ cents is quite common in level areas. This distinction is only in keeping with the difference in cost of operation resulting from variations in topography. A relatively low fare of approximately 2½ cents a mile is charged by the Consolidated Coach Corporation on the Lexington-Cincinnati line; from the cost-of-operation point of view this line is not an ideal one. Two railway lines, the Louisville and Nashville, and the Southern, are competitors for the traffic, the latter operating nine trains daily each way.

Transfer of lines from one operator to another must receive the approval of the commissioner, who must be satisfied as to the financial status of the transferee. A good deal of merging has taken place in Kentucky in the last six months, the leading example being the combination of five independent operators into the Consolidated Coach Corporation, to continue for 50 years, capital stock consisting of $750,000 preferred and 7,500 shares of common with no par value, and enjoying a debt limit of $2,000,000. Claimed advantages of merging easily include elimination of much competition, replacing less up-to-date equipment by more modern, decreasing the cost of overhead, and possibly increasing the ability to pay damages thereby securing exemption from the heavy liability insurance requirements. At all events, three weeks after the merger the "Three C" lines announced a reduction in fares on twelve of their routes, the reduction amounting to 14 per cent, 16 per cent, and even 20 per cent of the fare.

TAXATION

Taxation of the motor coach operators was a question of prime importance in the 1926 legislature. When the matter was first brought up the state showed a strong advocacy of a tax on gross receipts. But the operators, well marshaled and maintaining an effective lobby, put up such opposition that the tax scheme agreed upon constitutes a real compromise.

The bases of taxation include a seat tax ranging from $5 per seat for vehicles of 5-passenger capacity and less to $15 a seat for a vehicle of more than 20 passenger capacity, a gross weight tax of $1 per hundred pounds, and a bus tag fee from $10 to $50 per vehicle according to capacity. In return for the state's foregoing the gross receipts tax, the operators supported the gasoline tax law. Perhaps the operators felt that the five-cent gasoline tax would tend to discourage private purchase and use of motor vehicles and thereby encourage the public to use the motor coach. The public service franchise tax law was so amended as to include motor coach lines, and the validity of so making them subject to the franchise tax has been upheld.[1] It is estimated that the motor transportation agencies are now paying $200,000 a year into the state treasury.

Who was the chief beneficiary of the taxation compromise is a question on which much diversity of opinion exists. One authority takes the ground that the state in increasing its revenue from this source 200 per cent is the chief gainer; but another admits that the compromise favors the operators and not the state.

Receipts from all taxes, except from gas and franchise tax, go to the maintenance of the commissioner's office and staff, the residue being turned into the state fund for road upkeep.

[1] *Reo Bus Lines* v. *E. H. Fuller, Sheriff*, decided by Judge Richard C. Stoll in Fayette Circuit Court, November 29, 1926, affirmed by Court of Appeals, February 4, 1927.

CONCLUSION

Commissioner Kelly believes a marked improvement of the service has resulted already from the thorough inspections made by his assistants and places the improvement at 100 per cent. He feels now that coach patrons enjoy protection equal to that of patrons of other common carriers. President Kittrell of the Kentucky Bus Association is of the opinion that as time passes the effectiveness of the inspection will be established.

The present regulation possesses some weaknesses, two of which deserve mention. The "casual trip" clause and the franchise tax are difficult questions, the treatment of which affects interests and persons far removed from those immediately concerned. How frequent or extensive can operation be and still be included under "casual trip"? What the franchise tax lacks of producing revenue to the treasury it promises to yield in litigation.

Competition is to be preserved, but not unlimited competition. This is seen in the fact that the burden of proof is placed on the applicant for permit to operate on a route already served by two lines. Merging is contributing powerfully to limiting competition, even to destroying competition.

Creating an independent regulatory agency, and entrusting to its hands such broad powers are distinctly progressive steps. Himself a former legislator, Commissioner Kelly is the chief author of the recent law; and his experience as administrator, his attitude of fairness, and seriousness about his job can be depended upon to give all a square deal in the working of the new scheme.

WOMEN AS LOBBYISTS

BY WILLIAM A. BOYCE, JR.
City Clerk, Indianapolis

If you want your bill passed by the legislature, writes Mr. Boyce, enlist the services of one or more attractive, keen-witted and resourceful women to lobby it through. :: :: :: :: :: :: ::

It has been generally conceded that women have demonstrated their ability to compete upon terms of equality with members of the opposite sex in every line of human endeavor formerly preëmpted by mere man, even from the lowly profession of steeplejack to the high political preferment of governor. It has remained for Indiana, frequently the pivotal political state of the Union and situated in the heart of America, to furnish new and convincing evidence of women's versatility in the realm of politics by an unprecedented exhibition of the lobbying proclivities of members of the fair sex during the sixty-day session of the seventy-fifth Indiana General Assembly held in the Capitol at Indianapolis last winter. Indiana has not yet experienced the novelty of being governed by a woman, with the emphasis on the yet. But from the lack of that one experience it should not be inferred that Indiana women are not as adept in politics as are their sisters in other states more fortunate in that one respect, or unfortunate, according to the point of view.

TWO WOMAN LEGISLATORS

The Indiana general assembly is composed of fifty senators and one hundred representatives. The seventy-fifth session which closed on March 7 last included one hundred forty-eight men and two women, the latter two being Representative Ella Van Sickle Gardner, Republican of Indianapolis (Marion county) and Representative Clara Mason, Republican of Terre Haute (Vigo county). Mrs. Mason enjoyed the support of the regular Republican organization in her county, both in the primary and the election, while Mrs. Gardner had to fight her way through the opposition of the Marion County Republican organization, headed by the county chairman, in order to secure her nomination in the primary.

WOMEN INTRODUCE POPULAR BILLS

One of the bills introduced by Mrs. Gardner in the house of representatives which caused a great deal of alarm in the ranks of the old line politicians of Indiana was House Bill No. 112, more commonly known as the Fifty-Fifty Bill. The primary object of this bill was to compel fifty per cent representation of women on all party organization committees, from the precinct committee to the state organization committee. A large number of enthusiastic and sincere women of both parties lobbied daily and strenuously for the passage of this bill and did finally succeed in getting it brought to a vote on the floor of the house in the closing days of the session. Just before the vote was taken on this measure the thirty-seven Democrats in the house held a party caucus and decided that it would be a good political stroke for them to vote solidly for the passage of this woman's bill, thereby hoping to make a favorable political impression on the women in the state of Indiana and to capitalize on this sentiment in the next state election. However, their Republican friends heard of their plan and decided to do likewise, no doubt for similar reasons, and the result of the political maneuvering was that only a single negative vote was cast against the bill. The politicians of both parties then lost no time in seeing to it that the bill was lost in the senate where it was laid carefully away to a final resting place in the senate committee on elections. Whether the women voters of Indiana appreciate this empty political gesture made by their would-be friends of both parties in the house by passing the Fifty-Fifty Bill almost unanimously only to see to it that it was promptly killed in the senate, remains to be seen after these solons have stood for reëlection in the next campaign. It was one of the woman lobbyists for this so-called Fifty-Fifty Bill, who evidently must not have been noted for her beauty, concerning whom the writer overheard one of the legislators make the terse remark one day: "She may not be good looking, but she could stay at home."

Representative Clara Mason of Vigo county was the author of but two bills during the entire session of the legislature. In both of these bills the women of the state were intensely interested but from decidedly different viewpoints. The first of these, House Bill No. 158, was known widely as the "Beauty Bill" and provided for a system of state licenses for beauty parlor operators and "Cosmetologists." The second, House Bill No. 286, provided for the reading of the Holy Bible in the public schools. This latter bill, which naturally had the support of a well-known bloc of religionists, never came to a final vote in the house. Strange to say the Bible Bill, as it came to be known, was both supported and opposed by woman

lobbyists. One woman lobbyist in particular, who was said to have represented the Seventh Day Adventists, was present every day on the floor of the house working up and down the aisles beseeching the legislators to vote against this bill.

THE BEAUTY BILL

The Beauty Bill however had a colorful career in both the house and the senate. A score or more of attractive, vivacious young women, mostly beauty operators, appeared on the legislative scene early and remained late to lobby for the passage of this bill. The reader may rest assured that not a single legislator escaped from the persuasive charms of these artful lobbyists. One of the representatives became so popular with the lobbying beauty operators as to be styled by his colleagues, "The Beau Brummell of the House." When interest in the passage of the Beauty Bill was at its peak it was noted by the spectators that quite a goodly number of the legislators had their wives sitting at their side during the session but it was never definitely established whether the wives came to interest themselves in the passage of the Beauty Bill or to keep their husbands' interest centered solely on the legislation before them.

It might be well to mention here that the master barbers' association also had a bill pending in the house providing for state licenses for barbers with a number of sanitary regulations for barber shops. This bill, officially known as House Bill No. 125, was passed by the house on February 10 with a margin of one vote. On February 16 the Beauty Bill passed the house by a vote of 63 ayes to 25 noes, thereby attesting to the superior lobbying ability of women. Immediately after its passage, Representative Clara Mason sent a motion to the speaker's desk asking that the house rule against smoking in the house chamber be suspended as an indication of her appreciation for the vote given her bill.

The beauty lobbyists immediately transferred their activities to the senate where their bill was destined to have a stormy but successful career; it will be noted that both the "Barber Bill" and the "Beauty Bill" were thus pending in the senate. It was rumored in certain quarters of the legislative lobbies that the barbers and the cosmetologists had reached an understanding whereby each was to assist the other in getting their two bills through the senate. It was generally understood that the beauty operators were to manipulate the Barber Bill through the senate first and then the barbers, like knight-errants of old, were to come to the rescue of the Beauty Bill and put it across. Whether such an arrangement actually existed or not the writer does not attempt to say, but it was no uncommon sight in the hallways and lobbies of the State House to see the tonsorial artists walking and talking arm in arm with the attractive cosmetologists—erstwhile business competitors but now working harmoniously together for the passage of their two respective bills.

Results are what lobbyists are always after and it is results that they generally get. The barber's licensing bill did pass the senate ahead of the "Bill to regulate the practice of hair dressing and cosmetology." The Beauty Bill did pass the senate but with several amendments making it necessary to send it back to the house for its concurrence therein. While the bill was in this stage the senate, in a cantankerous mood, suddenly adopted a motion to recall the Beauty Bill from the house and reconsider the vote by which it had passed the bill with amendments. This abrupt and unexpected turn of events

in the senate caused consternation in the ranks of the beauty operators who were lobbying the bill through and actually caused one of their number to faint in a cloakroom where she was revived by a physician member of the senate who had been hurriedly called from his post of legislative duty. When the next day dawned, however, the storm cloud had passed and all was serene; the attractive woman lobbyists evidently had been successful in smoothing out their difficulties of the day before, for the senate again reversed itself by killing its motion of the previous day, again sent the bill to the house where the senate amendments were quickly concurred in by that body, thus sending the bill to the governor for his signature or veto.

The fatigued but successful lobbyists packed up their respective kits of tonsorial tools and cosmetology implements and returned happily to their homes only to be rudely shocked a week later into a realization of the old proverb, "There's many a slip betwixt the cup and the lip," when the governor gave both the barber and cosmetology bills a pocket-veto.

A KIND-HEARTED LOBBYIST

Of all the women lobbyists with which the seventy-fifth Indiana general assembly was blessed probably the most persistent yet most unsuccessful of them all was the sweet little woman who appeared in the early days of the session and stayed to the last wee hour to persuade the legislators to pass a bill to prohibit the amputation of the tails and ears of dogs. This little married woman with the pink flush of healthful vigor in her countenance, labored every day of the session for the passage of her bill to save man's best friend from the brutalities practiced by those who so incorrectly term themselves sportsmen. This persevering woman managed to get her bill passed by the senate only to find it impossible to extricate it from the house committee to which it had been referred for burial.

Another bill which attracted the sympathetic support of a kind-hearted lobbyist was Senate Bill No. 247, which was a bill to protect the American bald eagle. This particular lobbyist was a middle aged lady who consistently buttonholed every legislator in the interest of the bill to give the state's protection to the eagle. That her efforts were not in vain is shown by the fact that the bill was passed and signed by the governor. When the final vote was being taken on this bill a Democratic representative arose to explain his vote against the bill, saying, "The only bald eagle I ever saw was on a printed Republican ballot. Therefore, I vote *no*."

A TEACHER'S TENURE BILL

One of the really constructive and beneficial laws passed by the seventy-fifth Indiana general assembly was House Bill No. 145, more commonly known as the Teacher's Tenure Bill, because it provided for permanent teacher's licenses after five years' continuous service except in cases of gross immorality or insubordination. Three energetic woman teachers with the perseverance peculiar to their training lobbied for this bill in both the house and senate. There was a great deal of opposition to it by school superintendents and politicians but the fact that the bill passed the house with 66 ayes and 22 noes is evidence of the effectiveness of the lobbying activities of these three woman teachers. It also passed the senate by a safe margin and was approved by the governor on March 8. This bill, which has now become a law, will have far-reaching and beneficial effects on the educational system of Indiana. Its passage is a

tribute to the political sagacity and lobbying proclivities of the fair sex in Indiana.

SALARY GRAB BILLS

The most remarkable feature of the entire session of the seventy-fifth Indiana general assembly was the tendency to pass bills increasing somebody's salary. The range in offices affected by this proclivity went from county councilmen at a salary of twenty dollars per year to county and supreme court judges with their salaries increased to ten thousand dollars per year. In almost every instance one or more women lobbyists were to be found lobbying for the passage of these salary grab bills. They were to be found daily in the chambers of the house and senate, in the lobbies and corridors of the State House, in the hotels and club lounge rooms and at the social affairs given in honor of the legislators. One case in particular comes freshly into the writer's mind as an example of the scope and effectiveness of this different type of woman lobbyist. The city administration of one of the large cities in Indiana was interested in securing increased salaries for several prominent members of their administration. These increases sought amounted to several thousand dollars per year. For several weeks of the latter part of the session of the legislature, this city administration kept an attractive girl employe of one of its important departments constantly at the State House looking after the interests of the administration's salary increase bills. This astute young lady daily walked up and down the aisles of the house and senate clothed in a beautiful fur coat soliciting the legislators to vote for the salary grab bills in which her public employer was selfishly interested. The head of the city department in which this fair lobbyist is employed told a friend of the writer's that he felt sure that Miss —— could do more good in the legislature than she could on her job in the city hall. One of the salary grab bills for which this young lady lobbied was passed but received the pocket-veto of the governor while another omnibus salary increase bill for which she had lobbied long and hard was passed in the house, then passed in the senate and finally reconsidered by the senate and killed in the last few hours of the midnight session of the legislature on its closing day.

It will be noted by the reader that whenever the pressure of the lobbyists became too strong behind a bill in either the house or senate which was really not desired by the politicians the inevitable maneuver was to pass it in one house and have it killed outright or stifled in committee in the other branch of the legislature. Thus do even senators and representatives of the people pass the buck to one another. They are not to be too severely criticised, however, for the responsibility of looking after the interests of their constituents in the face of a host of men and women lobbyists, some advocating and others opposing legislation, is a burden that is heavier to bear than the public is apt to believe. On the other hand, the life of a lobbyist is one full of pitfalls and reverses, as it is impossible to forecast the probable action of a group of men and women legislators torn between their duty to the people who elected them, their political debts and bondage to political bosses, their personal friendships and enmities, in addition to whatever conscientious scruples they may have regarding the legislation upon which they are called upon to act. But, nevertheless, my experience with the 1927 Indiana general assembly as an interested spectator convinces me that the best and surest way to secure the final passage of a bill

is to enlist the services of one or more attractive, keen-witted and resourceful women to lobby the bill through, trusting purely to luck that the governor will affix his signature.

Women, indeed, have an important part to play in the political arena, not the least of which is that of legislative lobbyist, although certain questionable tactics practiced in the legislature under discussion should be discouraged by every respectable person.

MASSACHUSETTS ADOPTS NEW COMPENSATION PLAN

BY FRANK O. EVERETT AND E. O. GRIFFENHAGEN
Griffenhagen & Associates, Ltd.

Old classification of state employes becomes obsolete, necessitating a new classification with procedure for keeping the plan adjusted to changes in a growing service. :: :: :: :: :: :: ::

Dissatisfaction of officials of the state of Massachusetts with the rates of compensation in effect, and with the methods by which the rates for individual workers were determined, led to a resolve of the legislature in the spring of 1926 for a review of the whole schedule and system in effect. The task was assigned to the commission on administration and finance as the body charged with determining the numbers, kinds, and rates of pay of positions in the service. This body chose the firm of Griffenhagen & Associates, Ltd., to perform the technical work involved in the assignment.

Massachusetts had a classification of positions according to duties which had been developed several years before, and operated rather informally under a somewhat indefinite schedule of compensation rates maintained by the commission on administration and finance but not published, and subject to exceptions in individual cases as the facts might seem to justify.

FORMER CLASSIFICATION GROWS OBSOLETE

The classification itself was a good one at the time it was prepared, but had been adopted without due provision (though such provision had been recommended as part of the original classification plan) for current administration and continuous adjustment with respect to the classification plan itself, the allocation of individual positions to classes, and the scales of pay for the several classes, as the conditions and the duties of the positions covered might change. The absence of machinery for systematic administration prevented the commission from getting the most good out of the compensation plan and was responsible for its getting out of date. For example, as an individual position became recognized as taking on more responsible or more difficult characteristics, rates of pay higher than the maximum of the class to which the position was assigned were authorized for it as an alternative to reallocating it to a different class.

At any rate, the first stage of the undertaking involving a detailed analysis of the 13,000 positions, exclusive of those of laborers, in the service, disclosed a wide divergence between the duties of positions of the several classes as defined in the earlier classification,

and the actual duties of the positions treated as pertaining to the classes so defined. So wide had this divergence become that it was found impracticable to unscramble the situation by reallocating the positions to the classes originally set up, even with additions to represent the new kinds of work that had been added in the meantime. The positions as they were found to exist no longer fitted the classes that had been set up to cover the positions found several years before. Rates of pay for positions essentially alike, but treated as of different classes, were wide apart and many positions essentially different were treated as of the same class and as subject to the same pay scale.

An entirely new classification was accordingly developed, under which the 13,000 positions existing were found to fall into some 800 classes of positions each representing a distinct kind of employment and each including positions reasonably subject to like treatment in selection, compensation, and other employment processes.

CONDITIONS IN PRIVATE BUSINESS USED AS GUIDE

The classes or kinds of employment thus found to exist, after they had been checked over with the heads of the departments concerned, were then compared with those of similar kinds, as far as they could be found, outside the state service. This necessitated, in effect, the securing of direct information, through personal interview and otherwise, regarding thousands of positions in the employ of local commercial and industrial concerns, public utilities, and government bodies, and of other states and cities, and the analysis and classification of such positions so as to relate them to the positions in the Massachusetts service. The salary rates thus found to prevail in outside employment for positions similar to those in the state service were used as a guide in determining relative values and prevailing levels in the working out of a compensation plan in which each class of positions under the state was assigned a suggested compensation scale. Each such scale consisted of a minimum rate, a maximum rate, and one or more intermediate rates, it being contemplated that appointments would be made at the minimum rate and that the maximum rate would be reached through advances by successive steps as rewards of merit. The various scales were integrated into a consistent scheme by careful consideration of relationships between classes and between groups of related classes throughout the whole service. These relationships were subjected to numerous checks and rechecks in all sorts of combinations.

One interesting feature of the whole assignment is that under the terms of the original resolve, statutory positions were included, as well as the rank and file. The evaluation of the higher administrative positions so included formed a peculiarly difficult problem. As in most other jurisdictions, the salaries for such positions fell within a very narrow range in relation to the actual variations in difficulty and responsibility involved. In the development of the new compensation plan a rather effective and somewhat unique method of evaluation was devised by which all such positions were analyzed and compared in relation to the factors of difficulty, responsibility, and required qualifications upon which their value depends, such as (1) the executive or administrative responsibilities including the amount and type of supervision exercised and the extent of responsibility for the determination of policies, (2) the technical requirements, and (3) the character and amount of public contact.

RANGE OF SALARIES

The salaries in effect were found to be compressed within a narrow range, practically all being crowded between $900 and $6,000 with only a very few scattered above and below these limits. Such a range did not at all represent the differences in value of services. In the development of the new compensation plan, it was early decided, that the range needed to be widened, that if (say) $900 to $3,000 represented a fair range for the ordinary run of clerical positions of different degrees of difficulty and responsibility, then a range of about $3,000 to $6,000 would be necessary for the minor executive positions of different kinds and, in relation and by comparison with positions of similar responsibility outside, a maximum of $12,000 would be none too high (it might well have been higher) for the heads of some of the larger departments carrying heavy responsibilities.

On the other hand it was found that there had been difficulty in recruiting in positions of the lower ranks in which the entrance salaries were $900 and below. So, except for some classes of minor positions, such as messenger, $960 a year was adopted as the minimum and the scales for the different classes were related to each other between that limit and the maximum of $12,000 for the positions of greatest responsibility.

Except in the entrance rates, which ran as low as $720 for clerical positions, the rates in effect for the general run of classes were found to compare favorably with those outside. There were many individual exceptions to this, due to the faulty allocation of positions to classes already referred to. But farther up the scale there was an increasing tendency to compression downward. In particular, medical and technical positions were found to be greatly underpaid, there being considerable disparity between the rates in effect and those that ought to be paid, increasing with the responsibility of the positions. On the other hand, many individual positions and some groups were found to be greatly overpaid in relation to others. This was particularly true as to positions involving the keeping of financial records and the handling of money, largely routine in character.

The report presenting the results of the study contains, in addition to the schedule of recommended rates for classes, recommended rules of administration, and descriptions of classes, a very thorough discussion of the nature and purposes of classification of positions and the principles and methods applied in the particular undertaking, and of the theory and practice involved in finding a basis for evaluating personal services, as well as a description of the principles and methods applied in the case in hand.

The commission on administration and finance has published certain portions of the report with additions of its own. Most of the discussion and description was published verbatim in the December, 1926, and January, 1927, issues of *Public Personnel Studies*, by the Bureau of Public Personnel Administration, Mills Building, Washington, D. C.

RECOMMENDED SALARY INCREASES DOUBLE OF FORMER YEARS—ACTION BY LEGISLATURE

The net effect of the recommended schedule of compensation scales would be to call for immediate salary increases of about $900,000 a year, whereas the amounts of increases actually made in recent years have averaged over $400,000 a year and of course could be made with only an approximation of a scientific distribution.

The plans as a whole were accepted by the commission on administration and finance, which expressed its intention of putting them into effect with such adjustments in details as might later be found desirable. The Governor included in his recommended budget an item for salary increases based on the intention of spreading the adjustments to the new scales over a period of two years. Drafts of legislation were also submitted to the legislature to accomplish the abolition of statutory salaries as recommended in the report.

Meanwhile, representatives of an employe organization, who were anxious to see the full increases go into immediate effect, lobbied strenuously for a bill making the recommended schedules a matter of statute. The bill contained many changes in the scales from those recommended in the compensation plan as reported, some of which would seem to have the effect of advancing the rates for certain classes at the expense of others and destroying the balance of the plan as a whole, as well as of setting a precedent for scrambles at each legislative session by individuals and groups to secure increases for themselves.

The committee to which this and other bills were referred reported out a composite bill of its own including the employes' recommended schedule and amendments to existing statutes that would provide flat $500 increases to statutory administrative officers without regard to present rates or their relation to the responsibilities involved.

There were any number of amendments made to the bill on its way through the legislature, most of them increasing the rates for particular classes. The bill as amended passed both houses of the legislature, and was vetoed by the Governor. The legislature was apparently glad to uphold his veto.

The situation is left by these developments exactly where it was when the commission on administration and finance accepted the report and declared its intention of putting the plans as a whole into effect together with the recommended procedure for keeping the classification and compensation plan adjusted to changes in the growing service. But previously existing statutory salaries remain in effect. As to these there can be no remedy until the legislature next convenes.

As to the great body of employes, however, the commission on administration and finance has the power, with the approval of the Governor and Council, and the apparent intention to place the new scales and new procedure in effect without the necessity for legislative sanction, as a part of its normal functions.

ARE WE SPENDING TOO MUCH FOR GOVERNMENT?

VI. MUNICIPAL EXPENDITURES FOR PUBLIC WORKS

BY CHARLES A. HOWLAND

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Per capita expenditures of cities for public works are increasing. There appears to be justification for an increase and, when the comparative purchasing power of the dollar in recent years is considered, the expenditures do not seem unreasonable. :: :: :: :: ::

As a preliminary to the discussion of the trend of expenditures for public works, it is desirable to define public works. In general public works constitute those activities, usually involving construction, which require engineering training for their accomplishment and are paid for with public funds. They include water supply, sewerage and sewage disposal, highway and bridge construction, and street lighting. Refuse collection, refuse disposal, street cleaning, harbor improvements, and subway and other transit construction, although not always in charge of departments of public works should also be classed as public works. There are certain construction undertakings such as museums, swimming pools, municipal golf courses, recreation centers, public markets and other public buildings that are less often handled by a department of public works.

Water supply, sewerage and sewage disposal, street paving, refuse collection, and refuse disposal are typical public works, are found in practically all municipalities, and together include a large part of the work of cities. These undertakings are representative of the classification as a whole and an examination of expenditures made for them will indicate with sufficient accuracy the general trend of public-works expenditures.

TREND BEFORE THE WORLD WAR

It is desirable to include in the period under consideration a number of years before the World War. The war with its disturbing economic changes upset the normal trend of expenditures, but the tendency before the war had definite causes and it is important to define them since the same causes undoubtedly influence, in some measure, expenditures at the present time.

The figures given in Table I for the expenditures of cities of over 30,000 population were taken from the reports of the federal bureau of the census entitled "Financial Statistics of Cities." It would be desirable to have figures which include every city in the country, but the information is not available. Undoubtedly the expenditures of the cities covered in the census reports will be sufficiently representative for the purposes of this discussion.

Both the number of cities of over 30,000 inhabitants and the population living in them, as shown by the reports of the census bureau, have been increasing. It would be of little value, therefore, to know the total annual expenditures for this group of cities

because the increased demands of larger populations for service would naturally require greater expenditures. The important point is to learn the trend of expenditures for public works *per capita*. Hence per capita expenditures are presented.

In Table I government-cost payments for the expenses of operation, including maintenance, administration and the like, are shown separately from the payments for outlays for permanent construction and extensions. Under "sanitation" are included expenditures for sewerage, sewage disposal, street cleaning, refuse collection, and refuse disposal, while "highways" includes streets, pavements, curbing, bridges other than toll bridges, snow and ice removal, street sprinkling, and street lighting.

TABLE I

PER CAPITA EXPENDITURES FOR CERTAIN PUBLIC WORKS, IN EACH OF THE YEARS 1902–1911, AND 1913, IN CITIES OF OVER 30,000 POPULATION

Year	Sanitation		Highways	
	General expenses*	Outlays†	General expenses*	Outlays†
1902	$ .88	$...	$1.69	$....
1903	.99	....	1.64	....
1904	1.09	....	1.69	....
1905	1.13	1.00	1.67	2.87
1906	1.18	....	1.73	....
1907	1.30	1.10	1.91	3.26
1908	1.32	....	1.76	....
1909	1.31	1.05	1.71	3.29
1910	1.29	....	2.01	....
1911	1.44	1.04	2.04	3.79
1913	1.40	1.13	1.93	3.39

* From "Financial Statistics of Cities," 1911, Table XLIV, p. 86; 1919, Table XXVIII, p. 79.
† *Ibid.*, 1919, Table XXXI, p. 84.

These figures indicate a general tendency toward increasing per capita expenditures. There are no sharp rises and occasionally there is a decrease, but in general the taxpayers were contributing increasing amounts to expenditures for public works. It is interesting to note that, while the general expenses for sanitation increased 52 cents per capita or 59 per cent from 1902 to 1913 the general expenses for highways increased 24 cents or 14 per cent. However, the payments for outlays under sanitation rose only 13 cents or 13 per cent from 1905 to 1913, and, in the same period, the outlays for highways increased 52 cents or about 18 per cent. In 1913, the highway group was taking exactly three times as much as the sanitation group for building new works, extensions, and other permanent construction.

TREND AFTER THE WORLD WAR

Continuing the examination through the war and afterwards to 1925, the last year for which information is available, brings out other interesting facts. In Table II the per capita expenditures are given for care and maintenance of roadways, outlays for streets, roads and alleys and the general departmental expenses and outlays for water systems, sewerage and sewage disposal, and refuse collection and disposal in-

cluding street cleaning. These figures were computed from information published in the previously mentioned reports of the federal bureau of the census. It was possible to obtain the figures for subdivisions of the work less general than for the period before the war and the figures will therefore not be exactly comparable with those given in Table I. As the purpose is merely to show the trend in public-works expenditures no attempt was made to obtain close comparability, but the subdivisions were taken because of their usefulness in emphasizing individual trends. The pre-war years 1909 and 1912 are included to connect the table with the period before the war. Reports of the series, "Financial Statistics of Cities," were not published by the bureau of the census for 1914 and 1920 and information is available for only one of the subdivisions for 1921 and 1922. Therefore the years 1914, 1920, 1921, and 1922 have been omitted from Table II.

Again the figures show a general increase in the per capita expenditures for public works. The effect of the war is apparent in a retarding or decrease in expenditures. This is particularly noticeable in the outlays for new construction and means that work was delayed in order to concentrate upon war activities. After the war a general increase in expenditures occurred, amounting by 1925, in some work such as street paving, to more than double the expenditures of 1909 and 1912.

Some activities show a greater increase than others. For example, the expenses of water-works operation doubled between 1909 and 1925, but the outlays for new construction increased only about one-third. In street-paving work, however, both expenses of operation and outlays for new construction more than doubled. Operation of sewer systems and sewage-disposal plants required in 1925 almost exactly twice the per capita expenditure of 1909 but new construction took

TABLE II

PER CAPITA PAYMENTS FOR CERTAIN PUBLIC WORKS FOR EACH OF THE YEARS 1909, 1912, 1915–1919, AND 1923–1925 IN CITIES OF OVER 30,000 POPULATION

Year	Highways		Water supply Systems		Sewers and sewage disposal		Refuse collection and disposal	
	Expenses Care, and maintenance of roadways	*Outlays* Streets, roads, and alleys	General expenses	Outlays	General expenses	Outlays	General expenses	Outlays
1909.....	$ .65	$....	$ .94	$2.09	$ .24	$ .99	$....	$....
1912.....	.73	2.80	1.03	2.33	.24	1.06	1.12	.04
1915.....	.80	3.11	1.06	1.62	.24	1.50	1.16	.05
1916.....	.74	2.54	1.05	1.28	.24	1.24	1.16	.03
1917.....	.71	2.76	1.05	1.13	.22	1.06	1.16	.07
1918.....	.77	2.68	1.16	1.05	.23	1.03	1.27	.06
1919.....	.78	2.06	1.34	1.25	.26	.84	1.42	.07
1923.....	1.33	4.52	1.88	2.30	.41	1.83	2.03	.15
1924.....	1.49	5.20	1.92	3.11	.46	2.16	2.13	.17
1925.....	1.58	6.58	1.87	2.86	.49	2.62	2.24	.17

TABLE III

PER CAPITA EXPENDITURES FOR CERTAIN PUBLIC WORKS FOR EACH OF THE YEARS 1909, 1912, 1915–1919, AND 1923–1925 IN CITIES OF OVER 30,000 POPULATION ADJUSTED TO 1913 PURCHASING POWER OF THE DOLLAR BY MEANS OF THE *Engineering News-Record* CONSTRUCTION-COST INDEX NUMBERS

Year	Index numbers	Highways		Water supply systems		Sewers and sewage disposal		Refuse collection and disposal	
		Expenses Care, and maintenance of roadways	*Outlays* Streets, roads, and alleys	General expenses	Outlays	General expenses	Outlays	General expenses	Outlays
1909.....	.....	$ .65	$....	$ .94	$2.09	$ .24	$ .99	$ ...	$ ...
1912.....	.....	.73	2.80	1.03	2.33	.24	1.06	1.12	.04
1915.....	92.58	.86	3.36	1.14	1.75	.26	1.62	1.25	.05
1916.....	129.58	.57	1.96	.81	.99	.19	.96	0.90	.03
1917.....	181.24	.39	1.52	.58	.62	.12	.58	0.64	.07
1918.....	189.20	.41	1.42	.61	.55	.12	.54	0.67	.06
1919.....	198.42	.39	1.04	.68	.63	.13	.42	0.72	.07
1923.....	214.07	.62	2.11	.88	1.07	.19	.85	.095	.15
1924.....	215.36	.69	2.41	.89	1.44	.21	1.00	.099	.17
1925.....	206.68	.76	3.18	.90	1.38	.24	1.27	1.08	.17

nearly three times as much. It is apparent, therefore, that the shoe pinched more in some places than in others.

ADJUSTMENT FOR THE CHANGED VALUE OF THE DOLLAR

The effect of the war was to disturb the gradual increase in per capita expenditures for public works; to retard it for a while and seemingly to cause a sharp increase afterwards, particularly in capital outlays. This does not mean that the cities have engaged in a wild orgy of spending for public works since the war. The dollars which are being spent for public works do not purchase as much in actual service or construction as did the pre-war dollars. When the expenditures made during and after the war are compared with those before the war, with an adjustment to take care of the changed value of the dollar, it is clear at once that the increase in activity in public works expenditures is not so great as it would seem.

For a number of years the *Engineering News-Record* has published a construction-cost index number based on 1913 figures as 100. This index number is computed from current prices of steel, cement, lumber and common labor, and an average index number for each year is available. It would seem better to use an index number of this kind to adjust public works expenditures to a pre-war basis than a cost of living index, because the construction index number seems to have a more direct relationship to public works. In the present inquiry, however, the choice is of no great importance since substantially the same facts are shown by the use of either index.

Table III gives the per capita expenditures of Table II adjusted to the 1913 purchasing power of the dollar by use of the *Engineering News-Record's*

construction-cost index numbers. Unfortunately the per capita expenditures for 1913 were not available and a comparison cannot be made directly with them. The years 1909 and 1912 are included, as before, for purposes of comparison but are not translated into 1913 dollars.

According to the computations of the *Engineering News-Record* the purchasing power of the "construction" dollar was greater in 1915 than in 1913. The per capita expenditures for public works for 1915 in Table III are therefore more than those in Table II for the same year. Expenditures of the subsequent years are less.

Examination of the expenditures in the new light of the comparative purchasing power of the dollar reveals some startling things. In the field of water works, neither the expenses of operation nor the outlays for new construction had, in 1925, reached the pre-war figures of 1912, although the expenditures for outlays more than doubled between 1919 and 1925. The figures for sewerage and sewage disposal, however, show operating expenses equal in 1925 to those of 1912 while the payments for outlays had trebled since 1919. Payments for expenses of maintaining highways had, in 1925, just about equalled the 1912 figure but were less than 1915 although expenditures had nearly doubled between 1919 and 1925. Outlays for new highway construction had more than trebled between 1919 and 1925, were less than 1915, but more than 1909.

Operating expenses for refuse collection and disposal, including street cleaning, show an increase after the war but in 1925 had not equalled the expenditures of 1912 and 1915. Outlays for the refuse collection and disposal service more than doubled after the war and in 1925 were more than three times those of 1915. Perhaps the picture here is slightly out of focus since the operating costs of refuse collection and disposal are very materially affected by rates of pay for labor and are less affected by the price of cement, steel, and lumber, the other items used in computing the construction-cost index number. The figures for recent years may, therefore, be too low. The use of the general cost of living index numbers of the federal bureau of labor statistics would increase the per capita expenditures of 1923 to $1.20, of 1924 to $1.26, and of 1925 to $1.29, making them greater than the pre-war figures of 1912.

Adjustment of expenditures to the pre-war purchasing power of the dollar shows, in general, that, instead of spending lavishly for public works in recent years, cities have hardly returned to the per capita expenditures of pre-war days despite the lost ground to be regained. The figures presented in the foregoing tables indicate, however, a general trend toward greater expenditures for public works; a trend which was slackened by the war but has since become evident in the annual increase in per capita expenditures.

REASONS FOR INCREASE

One type of public-works construction will be affected by influences which are felt less or not at all by another type and, consequently, all will not vary in the same ratio, a fact that the figures show clearly. But there are general influences which have, no doubt, affected all public-works expenditures. One of the most important of these is the changed municipal standard of living which has added more functions to municipal government and has increased the work of existing functions. Better transportation, including subways and other high speed lines, is demanded; good paving is expected in all parts of

the city; snow must be quickly removed from streets; refuse must be hurried away and inoffensively disposed of; water must be plentiful, wholesome and pleasant to take; sewers are required everywhere; and high pressure fire lines must be added to the existing systems.

The standard of living of the individual citizens has also changed and this has had its effect upon expenditures for public works. More general installation of plumbing fixtures and the increase in varieties of such fixtures creates a demand for more water per capita. This in turn has had its effect upon the construction of sewers and sewage disposal plants. Although electric power is often supplied in cities by private companies, it is sometimes a municipal function and the great increase in the use of electrical appliances has increased the expenditures per capita for supplying the service. These examples serve to illustrate the point, that, where more service is demanded per individual, greater per capita expenditures are required to furnish it.

Certain public-works expenditures have been influenced in special ways. One of the outstanding examples of this is the construction of street pavements. The tremendous increase in the use of automobiles and the appearance on city streets of heavy cars including 5- and 10-ton trucks and heavy busses have necessitated greater street capacity, more mileage of hard-surfaced pavements, and stronger, heavier construction. Although the development of the automobile industry may be dated from 1895 when 300 cars were produced, the greatest increase in the use of cars has come since the war. A curve published by the Cleveland Trust Company in its June bulletin shows that in 1912 less than 1,000,000 passenger automobiles and trucks were in use, while in 1915 there were about 2,200,000, an increase of approximately 400,000 a year. By 1925, the number had reached, in round numbers, 17,800,000, an increase, after 1915, of 1,560,000 a year. This burden upon street construction has come largely during the time that work was slowed up by the war and cities were struggling to compensate for postponed construction. Related problems of street widening, arcading, and similar undertakings have grown out of the traffic situation and have added to the per capita expenditures for highway work. No further argument would appear necessary to show that there has been a real justification for increased per capita expenditures for street paving.

Special situations have affected other branches of public works. The pollution of streams has forced upon water works the construction of treatment plants; increasing use of sources has often made it necessary to go long distances for water. On the other hand the efforts to check stream pollution and safeguard water supplies have placed upon cities the burden of constructing sewage-disposal plants with their intercepting and outfall sewers. When dumping grounds are exhausted or built upon and occupancy of areas once available for refuse disposal necessitates their abandonment, incinerators, reduction plants, and other costly measures must be adopted for the disposal of refuse.

INCREASE APPARENTLY NOT UNREASONABLE

It is quite possible to develop the theme at great length, but it would seem that enough has been advanced to show that there has been a justification for an increase in per capita expenditures for public works. The greater demands of municipal and individual standards of living, coupled with the

addition of new governmental functions and increased activity of existing functions, and the greater expenditures needed to meet special conditions, have produced the trend toward greater per capita payments. That these expenditures declined during the war, leaving lost ground to be regained and have not reached startling figures since the war when examined in the light of the purchasing power of the dollar indicates that there is no immediate cause for a belief that too great sums are being spent generally for public works.

RECENT BOOKS REVIEWED

MUNICIPAL ADMINISTRATION IN THE ROMAN EMPIRE. By Frank Frost Abbott and Allan Chester Johnson. Princeton: Princeton University Press, 1926. Pp. 597.

Although directed primarily to technical students of Roman history, this impressive volume by the late Professor Abbott and his colleague, Professor Johnson, is crowded with information of value to citizens interested in the development of municipal government in the United States. The information, it is true, is not of a practical character, to be applied with celerity to the problems of Chicago, Detroit, or New Orleans, but of a challenging sort, inciting comparisons and long reflections in dreamy hours when the mind is enlarging its periphery and deepening its imaginative powers. Even the first eight chapters dealing with the rise of different classes of municipalities in the Roman Empire, East and West, and the evolution of their relations to the center illuminate questions raised by those concerned with local government in the American dependencies. "The greatest achievement of Rome," our authors tell us, "was the extension of her municipal system over the greater part of her empire, thereby preparing the way for the more rapid infiltration of the cultural ideas of the age."

Less burdened with minute historical details are the systematic chapters on imperial taxes and requisitions in the provinces, municipal finances, provincial assemblies, the development of municipal policies, and at last the tragic decline of the wide-spread network of Roman cities. Our budget makers will doubtless be surprised to learn that the residents of the Roman municipality were practically exempt from taxes and that revenues were derived mainly from municipal land adjacent to the city walls or in some outlying region, and from monopolies, franchises, and privileges of one kind or another. Our theorists inclined to be critical of modern politicians will be astounded to hear that Rome utterly failed in her efforts to develop "a sound social, political, and economic policy in municipal administration. Her statesmen were usually opportunists and few clearly defined policies which were steadily or consciously pursued can be discovered." Chroniclers of Croker, Hinky Dink, and Bathhouse John may be encouraged a bit by such news from distant days.

If, for the sake of brevity, the course of Roman municipal evolution be sketched with a simplicity which the facts hardly warrant, it would run in the following form: The cities were encouraged to develop an autonomy as against their neighbors and the province, subject to central administrative control, tending to municipal anarchy with the decay of the empire. There was a steady decline in municipal democracy, partly on account of the tempestuous character of the city assemblies and partly on account of the apparent efficiency of administrative oligarchies—at least for a time, until they became hopelessly corrupt. In the early days of the Empire, the free residents of each city "displayed an intense pride in public welfare and endowed their native town with splendid monuments, buildings, and gifts for special purposes. Offices and honors were eagerly sought. . . . Public spirited citizens, civic pride, and keen urban rivalries combined to produce a brilliant municipal life throughout the Empire." To deal with municipal affairs, the imperial government worked out an elaborate system of offices and bureaus, at last depriving every municipality of its independence and local spirit—generally with the idea of improving the lot of the cities. But the imperial system finally broke down as a result of causes too complex to be enumerated here, the enthusiasm of the citizens for grand municipal work disappeared, and the cities sank in wealth and population even where they did not crumble into ruins. Underlying the whole process was an economic decline—a terrible slump in agriculture and commerce. Attempts to check the downward course by bureaucratic devices failed utterly, indeed, accelerated it. By the opening of the fourth century, "the breath of political life had departed." Far and wide the lizard and the jackal made their homes in the ruins of palaces and counting houses. Yet, had our authors carried their story forward, they would have shown a continuous life in hun-

dreds of Roman cities, more troubled and on a lower economic scale perhaps, stretching through the middle ages all the way to our own time. Within their chosen field, Abbott and Johnson have made a contribution of the first order to the history of city government, while doing an honor to American scholarship.

CHARLES A. BEARD.

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THE MODERN DEVELOPMENT OF CITY GOVERNMENT IN THE UNITED KINGDOM AND THE UNITED STATES. By Ernest S. Griffith. London: Oxford University Press (American Branch, New York), 1927. 2 vols., xix, 1–422, and vii, 423–745 pp., resp.

The author of this work, a native of New York and a graduate of Princeton University, went to Oxford as a Rhodes scholar. His studies there completed, he became first a preceptor in economics at Princeton, and later warden of the University Settlement in Liverpool and honorary lecturer in Liverpool University. In the volumes under review he has endeavored to bring his studies and observations of city government in the two countries to bear upon their municipal problems, both historically and comparatively, in order to point out to each the lessons it has to learn from the other.

In the first volume, which is primarily historical, the development of city government in each country has been traced through three periods, namely, that prior to 1870, to which only brief attention is given; that from 1870 to 1900; and that from 1900 to 1924. This makes a total of six chapters, which are printed in pairs, first one on cities in the United States, and then one on cities in the United Kingdom for the same period. Within each chapter the treatment is mainly topical, with the result that the same topic may be discussed in several different places in the same volume, though for different countries and periods. As a scheme of arrangement this is perhaps as good as any, but it is not perfect since it necessitates much repetition and many cross references. Moreover, it does not sufficiently allow for the fact that developments are continuous and not divided into arbitrary periods, nor does it bring out the fact that at the same time-period one country may be in a different stage of development from another.

Some two hundred pages of the second volume are devoted to a comparative analysis of city government in the two countries at the time of writing, about 1924–26. Among the topics discussed are the legal bases, the functions, the framework, and the finances of city government, the relations of the cities to the central government public opinion and the quality of government, and conclusions as to the two systems. The rest of the volume includes a bibliography and a series of statistical and other appendices.

In reviewing a study as comprehensive and as difficult as this one, it would be unfair to deal carpingly with little slips which any one who is human must make when he handles a comparably large mass of details. The author has perhaps made only a small percentage of the mistakes which he might easily have made. Accuracy demands, nevertheless, that the reviewer call attention to the existence of many mistakes of facts and dates. Some minor generalizations are inadequately supported by the data, and in other cases the data used are open to question, as in the acceptance of the report of a recent well-known mayor of Cleveland that he both reduced expenses and improved service at the same time (p. 488, n.). The author speaks of "Boards of Municipal Research," (p. 293), dates the beginning of the NATIONAL MUNICIPAL REVIEW at "about 1904," (p. 282), and has not too clear an idea as to what is meant in the United States by a "home rule" city (pp. 269, n. 3; 584–85). In general he appears to be more fully informed about English than about American municipal developments, and for the United States his information is more intimate for the period prior to the Great War than for the years subsequent thereto; for after all, one must live with a system of local government to know it thoroughly. These minor defects do not, however, detract from the interest of the author's pages, nor, in general, from the soundness of his main conclusions and recommendations.

Appraised in the large these two volumes (which could have gone into one, and at a lower price) constitute a novel and valuable addition to our stock of municipal history and of comparative city government, of which we have too little. His contributions and conclusions are the more valuable, also, because he has tried to see his problem whole, in its historical, social, economic, political, legal, and other phases. In fact, he has written a really important book.

His recommendations will interest many. "At the outset," he says in his preface, "I was a

believer in centralization; but, as the evidence began to unfold, my opinion reluctantly but none the less surely changed to a profound suspicion of the wisdom of central interference in city government." In fact, he definitely disagrees with Sidney Webb as to the evils of decentralization (p. 581) and recommends that the English adopt and the Americans use more widely the system of municipal home rule (pp. 628–31). Along with this he recommends for English cities the reduction of central subventions and supervision, more freedom in financial matters, the adoption of the American system of taxation upon land according to its capital value, and direct popular control in charter matters and in the annexation of territory. To American cities, which fare better than usual in the comparison, and which, in general, "seem to be building upon sound foundations," he recommends, in addition to more home rule, the removal of the popular "assumption of equality of ability." Specifically this means that he favors the short ballot, the further extension and strengthening of the merit system, and "a reconstruction of the whole attitude toward office and office-holding, toward the law-maker and the law."

WILLIAM ANDERSON.
University of Minnesota.

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REPORT OF THE WEST VIRGINIA STATE TAX COMMISSION TO THE LEGISLATURE OF THE STATE OF WEST VIRGINIA, 1927. Pp. 204.

The West Virginia legislature of 1925 by resolution authorized the governor to appoint a special commission to report to the legislature of 1927 recommendations designed "to establish an economically sound and permanent taxation system for the raising of state revenue." At the preliminary session (West Virginia has the bifurcated session), the commission submitted to the legislature a comprehensive report embodying drastic reforms in the administrative organization and the financial policy of the state.

After giving a detailed account of state revenues and state expenditures, past and present, including also local revenues and local expenditures, the commission considers the efficient expenditure of public funds and the economically sound method of raising revenue. It will not be possible within the space of this review to consider all the reforms suggested, but only to point out those that seem of special significance.

The first conclusion of the commission is that fundamental changes are necessary in the administrative machinery, not only in the state, but in its various subdivisions. The commission urges the resubmission to the people of the budget amendment to the constitution, vesting the budget-making power in the governor, which the voters defeated at the last general election. The constitution at present vests the budget-making power in the board of public works, which consists of the seven elective state officials. The commission believes the governor should assume full responsibility for the state's financial affairs.

One of the most significant reforms suggested is the proposal to create a state board of review, composed of three members appointed by the governor, with the state tax commissioner as one of the members and ex-officio chairman. "This board should have control over the tax administration of the state; it should have authority to raise or lower assessments, and should act as a board of final appeal and review in all matters of valuation. It should have power to review all proposed bond issues. Before any taxing district can submit to the voters the question of authorizing bonds, a statement of the proposal should be filed with the state board of review, who are to approve or disapprove or approve in part, the contemplated issue. Its findings shall be certified to the taxing body and shall be published as a part of the notice submitting the question of issuing bonds to the voters." Also upon petition of fifteen or more taxpayers of any county, district or municipality, the commission would give the board authority to review the budget or levy, or both, of any county court, school board or municipal council, with plenary power to approve or disapprove, in whole or in part, any such budget or levy, the finding of the board to be final.

The report actually bristles with consolidation proposals. If they were carried out, it is estimated these reforms would eliminate 2000 offices. The commission believes that the West Virginia education system could be made more efficient by substituting the county unit for the present district unit. By this plan, instead of managing schools by 397 boards of education, they would be managed by 55. The commission would enlarge the authority of the sheriff, as an ex-officio county treasurer, requiring him to collect all municipal and district taxes within the county; it would abolish all county poor farms and infirmaries, substituting a state home for the aged and poor; it would abolish all county and munic-

ipal sealers of weights and measures, suggesting that this work can be done more efficiently by the state department of labor; it would make the state board of control the purchasing agent for county courts and school boards, requiring such courts and school boards to make all substantial purchases of supplies, except in emergencies, through the state board; it would require the state tax commissioner to collect all taxes paid to the state, of every description, including the corporation taxes and the automobile license taxes; it would abolish county boards of equalization and review, transferring their duties to the county courts; it would require assessment of real estate every four years, instead of annually; it would require collection of taxes in two installments, instead of one; it would abolish the system of paying fees to sheriffs for the feeding of prisoners, substituting payment only of actual cost of such feeding; finally, it would put in full charge of the highway department a single commissioner, who would take the place of the present board of three commissioners.

When we come to the section of the report concerned with the present revenue system, there is lacking a certain element of vigor in the proposals of the commission, although it does not hesitate to attack fundamentals.

The general property tax in effect in West Virginia raises approximately 70 per cent of the total revenues collected by the state and its various subdivisions. Although property is assumed to be assessed at its true value, valuations in the different sections of the state range from 35 per cent to 100 per cent of actual value. The effort to reach personal property has been a complete failure, the commission estimating that it is 20 per cent effective. Forms of wealth built up on the enjoyment of special privilege escape taxation in West Virginia. The worst offenders here are the public utilities, the insurance companies, and the natural resource industries.

In recommending reforms, the commission states that the tax problems will not be solved until the basic law is so amended as to permit of a "broad" classification of property. In addition to providing for general classification of property, the amendment which they propose would establish an income tax permitting graduated rates and the right to exempt certain incomes. The Commission also suggests to the legislature a three-fold classification of business for taxation purposes, as follows: public utilities; natural resource industries; merchandising, manufacturing, financial and other business enterprises. While these principles might be applied in connection with the gross sales tax, they can hardly be made effective without the amendment. The classification amendment therefore, is the foundation of the taxation reforms proposed by the Commission.

Specific changes proposed with reference to present tax laws are of relatively minor consequence. These include elimination of the direct levy for state purposes, increase of the gasoline tax from 3½ cents to 5 cents a gallon, increase of the tax on insurance companies from 2 per cent to 3 per cent, downward revision of the inheritance tax rates, and restriction of the tax on corporation charters to a maximum of $2500.

The reviewer believes that the members of the Commission have acquitted themselves creditably, that their recommendations are sincere and straightforward, that the sentiments of any special interest have not dominated their councils. The outstanding weakness of the Report is a certain lack of definiteness on some phases of the tax problem. Because the gross sales tax is at present being contested in the courts, the Commission makes no recommendations on this tax, although it recognizes that the tax falls far short of adequately taxing privilege, and that it ignores the principle of ability to pay. Under the present constitutional arrangements, therefore, the Commission has recommended to the Legislature no definite taxation reforms of consequence that will alleviate the immediate situation. Specific examples supplemented with elucidating statistical data, which more detailed research would have supplied, would have illuminated the gross inequalities of the present revenue system, particularly with reference to the taxation burden of the public utilities and the natural resource industries.

MARTIN L. FAUST.

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LEGAL ASPECTS OF ZONING. By Newman F. Baker, A.M., J.S.D., of the Missouri Bar. Chicago: University of Chicago Press. Pp. 182.

Mr. Baker's little book is a most timely contribution to the study of the legal phases of municipal aesthetics, bill-board regulation, zoning and metropolitan planning. In this field there are few attempts to treat the entire subject, none of them sufficiently recent to cover the

latest developments. Mr. Baker's treatise, while by no means comprehensive, does take up the most important developments in his chosen field, with the possible exception of metropolitan planning where so much of the work still remains to be done. Most useful are the citation and analysis of recent legislation, ordinances and decisions. The book may be read with pleasure and profit by the layman and is invaluable to the administrator or lawyer in this field; for nowhere else can be found collected the information, brought up to date, that this book contains.

FRANK B. WILLIAMS.

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AMERICAN VILLAGERS. By C. Luther Fry. New York: George H. Doran Co., 1926. Pp. 201.

The Institute of Social and Religious Research in this volume discloses to us the community the census forgot—those places with a population ranging from 250 to 2,500. Neither fish, nor flesh, nor good red herring, the census has hodgepodged such groups with the dwellers in the open-country, labelling the mash "rural," much to the perturbation of all those concerned with an accurate analysis of population groups.

Of singular interest to all interested in better adjustment of government to needs is Mr. Fry's statistical comparison of village, city, and open-country. "While villages are less like the cities than the open country in the matter of home ownership, they are as much like the cities as like the open country in their relative number of native whites, and more like the city in both illiteracy among the native whites and the ratio of males to females." Closer to the city also in birth rate, occupational distribution, buying attitudes, and other things, it is not to be wondered at that Mr. Fry concludes that, "on the whole the differences between village and open country are more striking than the differences between village and city," a point which should be kept in mind in considering local and county government.

Nevertheless, the village parts company with the city in many important factors influencing social stability and conservatism, and there are also "wide differences between the village and open-country populations in nativity groupings, sex, and age-distribution, marital condition, illiteracy, and occupational status." The data disclosed by these investigations seem to indicate the urgent need of new categories which will permit of easy segregation and comparison of three important, separate, and distinct types—the urban dweller, the villager, and the inhabitant of the open country.

After demonstrating this need for a more accurate and useful census classification, Mr. Fry makes another contribution towards a better understanding of rural problems in the United States in his statistical picture of American villages, especially those agricultural villages "located in a strictly farming area" and "acting as service stations to the inhabitants of the surrounding countryside." "The only professional persons in the very small villages are, with few exceptions, the teacher, the doctor, and the clergyman. As the village grows larger, the lawyer and the dentist enter. Further increases in size bring the musician and the veterinary surgeon, while last of all comes the trained nurse." All of these professionals link villager and countryman by giving service to the open country as well.

Remembering that about one-eighth of the American population live in villages and that "since 1900 the total village population increased more rapidly than the population of the nation as a whole," thorough students of American society will find this description of the villager essential. Not only the sociologist and political scientist, but the commercial or professional man interested in new outlets and opportunities, will do well to know what kind of people live in villages, what they do for a living, their distinguishing peculiarities, and their functions.

Mr. Fry's divisional analysis affords a basis for the comparison of the various geographic sections of the United States, and throws considerable light upon such phases of rural life as population make-up, prosperity factors, the status of the incorporated village, illiteracy, and the position of the negro in the village life of the South. The 66-page appendix, in addition to source tables, contains an "analysis of the 'rural' and the 'urban' population figures for certain New England States as given in the 1920 census," a useful "classification of the gainfully employed workers according to their 'social-economic' status," and a detailed, scholarly analysis, by Luther S. Cressman, of "the social composition of the rural population of the United States."

NEWELL NILES PUCKETT.

Western Reserve University.

The Dublin Civic Survey. Prepared by Horace T. O'Rourke, F.R.I.A.I., and the Dublin Civic Survey Committee for the Civics Institute of Ireland. 150 pp. (10 x 12½), 50 illustrations, 10 colored maps, and 8 aërial photographs. University Press of Liverpool, Ltd.; Hodder and Stoughton, Ltd., London, 1925.

This is volume two of the publications of the Civic Institute of Ireland. Volume one was the prize design adjudged winner in an international competition. Volume three will be the Final Town Plan based on the design and the survey.

Few American readers interested in city and town planning will see, but all should examine, this excellent example of the most scientific type of survey upon which a final town plan will be based. This survey is the statistical and graphical representation of the things as they are in the community and enables the town planner to present a forecast of its development. The survey is divided into the physical and social and economic factors in the life of Dublin. This city has the position of dual rôle as the national capital and seat of government, as the principal railroad center and port of the country, and as the cultural and recreational center of its people.

The plan of the survey follows a definite study in seven fields: Archaeology, showing the historical development and its influences; Recreation; Education; Hygiene; Housing; Industry and Commerce; Traffic of all sorts. The student of city planning will be especially interested and pleased with the colored maps which illustrate each of the topics covered. The aërial photographs prove beyond doubt the value of this method of study for advanced planning. The use of early maps from 1610 emphasize more than any reading matter how it is that towns and cities are allowed to grow in a haphazard manner. The survey states that all the difficulties and costliness of civic administration can be ascribed to such blind and wasteful development. The preparation of such a civic survey for a community is the best education it can have. It is not every city that can be a Washington or a Canberra and the best many can do is to show the defects of the past and prevent the mistakes being repeated in the future.

An ever increasing number of town surveys and plans are reaching us from the British Isles. Others which are worthy of interest for their contents and mechanical makeup are Birmingham, Manchester, Dundee, Leicester, Sheffield, Doncaster, York, Richmond, Woolwich, Chelsea, Stratford-on-Avon, Cork, and more recently the comprehensive study of the London County Council. E. A. Cottrell.

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Budget Facts and Financial Statistics of the City of Minneapolis for 1927. Issued by the Board of Estimate and Taxation, Minneapolis. Pp. 52.

This report presents statistical facts on the finances of the city of Minneapolis. The first half of the report presents statistics on the valuation of property, tax rates and tax levies, tax collections, operating receipts and disbursements, the 1927 budget allowances, and governmental costs since 1900; the second half of the report pertains to the bonded debt of the city, giving information on current requirements for principal and interest, purposes for the issue of outstanding bonds, the maturities of outstanding bonds, and a schedule showing past issues and redemptions. Features of this report worthy of commendation are the completeness of the data on the bonded indebtedness of the city, the comparative statistics, and the translation of tax levies into terms of purchasing power. The report contains very little elucidating and explanatory matter. Martin L. Faust.

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Merchandising by Municipally Owned Utilities in Wisconsin is information report number 56 of the Municipal Reference Bureau of the University of Wisconsin. It was compiled jointly by Lorna L. Lewis, assistant in the Bureau, and Esther Connor of the Wisconsin Library School. This brief study of five mimeographed pages is a compilation of figures showing the extent to which sixteen Wisconsin municipalities engage in this form of business. In some it is conducted merely for the convenience of the public, but in a few it constitutes a very interesting source of revenue. E. C.

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A List of References of Municipal Reporting is a mimeographed bibliography of four pages compiled by C. F. Nolting, secretary of the Municipal Reference Bureau of the University of Kansas. The haphazard and inadequate methods used by many cities in reporting their activities is so well recognized by those familiar with the field of municipal government that a list of references purporting to suggest improvement should meet with wide approval. Perhaps the most valuable section of this compilation is the list of cities having outstanding reports that may be used as examples of good municipal reporting. E. C.

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, Georgetown University

Home Rule—Jurisdiction of Municipal Courts.—In the July issue attention was called to the decision of the district court of appeals of the second California district in the case of *People* v. *Denault*, 253 Pac. 151, in which it was held that under the home rule provisions of the state constitution the legislature would not by statute confer upon municipal courts jurisdiction of offenses committed within the county outside the city limits. The effect of such a ruling upon the uniformity of the state judicial system was commented upon and the undue emphasis upon the home rule powers of the cities criticized. We are therefore pleased to note that the supreme court of that state in the case of *Ex parte*, *Luna*, 257 Pac. 76, has given a different construction to the constitutional provisions involved, and reasserted the control of the state legislature over the judicial system of the state. The Luna case had been decided at the same time as the Denault case and the petitioner's conviction in the superior court from which the statute had transferred jurisdiction to the municipal court upheld. In unanimously reversing the decision against the petitioner in the superior court, the power of the legislature to determine the jurisdiction of local courts, except so far as expressly limited by the constitution, is finally established.[1]

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Home Rule—Charters and Charter Amendments as Laws of the State.—The state of California has been for the past years preëminently the battleground of the conflicting theories of municipal home rule under constitutional sanction. No provision of Article XI of that constitution has been subject to so varied and often inconsistent interpretations as that of the method of enacting home rule charters and the requirement of their ratification by a majority of the members of each house of the state legislature. Even able commentators have drawn from the opinions of the courts in some cases conclusions that the same courts later refused to admit were justified by what they had said, a result which often follows the attempt of a court to go beyond the question involved and by observation and dicta anticipate questions that may later arise. Possibly the courts of no other state have been more guilty of this tendency, a habit which in the earlier years resulted in much confusion as to the scope and effect of the constitutional home rule provisions.[2]

It is therefore noteworthy that in the recent case of *Taylor* v. *Cole*, 257 Pac. 40, the supreme court of California has at last unanimously decided that a home rule charter or an amendment thereto, when ratified by the legislature under the provisions of Article XI, is a law of the state and derives its validity not from the action of the local electors alone, but by the act of the state legislature in accepting and ratifying their action. Thus the early decisions to the contrary, such as *People* v. *Green* 85 Cal. 238 and *People* v. *Toal*, 85 Cal. 333, are at last definitely overruled and the doctrine set forth in *Ex parte Sparks*, 120 Cal. 395, and *Fragley* v. *Phelan*, 126 Cal. 383, approved and settled.

In the instant case, in which the petitioners sought a writ of mandate to compel the canvassing of votes at a general election in the city of Pasadena held pursuant to certain amendments proposed and adopted in November 1926 and ratified by joint resolution of the two houses of the state legislature, the defendants maintained that these acts did not foreclose an inquiry by the courts as to whether the mandatory jurisdictional steps, such as publication of notice, were followed in the local election which indorsed the proposed charter amendments. In holding that the culminating act of ratification by the state legislature is conclusive upon the question of the regularity of the preliminary proceedings, the supreme court has insured the administrative regularity of the home-rule charters and of amendments thereto and rendered them immune from attack by private individuals. In other

[1] We are indebted to Mr. Tracy Chatfield Becker, deputy district attorney of Los Angeles county, for valuable information on the above cases.

[2] See the trenchant criticism of McBain in "The Law and Practice of Municipal Home Rule," pages 206–216.

words, they now have the status of *de facto* if not of *de jure* corporations, and the validity of their organization can be questioned only in a proceeding of *quo warranto* at the suit of the state itself. If the California courts shall apply the limitation upon the action of *quo warranto* similar to that established by the courts of Massachusetts in *Attorney General* v. *Methuen*, 236 Mass. 534, the home rule charter provisions will be placed practically beyond the danger of any judicial annulment. The value of the stability thus assured to the exercise of the charter powers cannot be overestimated.

The bearing of this decision upon the relation of the charter powers to the general legislation of the state might be quite serious, were it not that the California decisions have already established a workable principle of reconciliation. Logically, every charter amendment is now to be regarded as a special statute repealing *pro tanto* the existing general statutes, while, outside the field of exclusive powers committed by the state constitution to the municipalities, a general statute will repeal the charter provisions in conflict therewith. This leaves a wide field of control as to taxation, police, and judicial organization to the legislature, but places upon it the serious responsibility, not heretofore fully appreciated, of carefully checking the effect of charter amendments upon the general laws. The confirmed habit of the California legislature in approving without question all charter amendments proposed by the municipalities is thus challenged by this decision. As in the past, the efforts of people of that state to delimit the field of municipal home rule will still command the attention of all students of municipal government.

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Official Bonds—Liability of Bonding Company to Individuals Injured by Misfeasance of Police Officer.—Two recent cases bearing upon the somewhat novel point of the extent of liability of the surety on official bonds to individuals injured by the misfeasance of local police officers were decided by the supreme court of Ohio May 25. In *United States Fidelity & Guaranty Co.* v. *Samuels*, 157 N. E. 324, the defendant was held liable upon the official bond running to the city of Youngstown of a motor-cycle policeman, against whom the plaintiff had obtained a judgment for damages for injuries caused by his negligence in operating a car belonging to the city. As he was on his way to investigate a crime there was no question that he was acting in the course of his employment as a police officer, but the defendant contended that his act of negligence was not official misconduct within the condition of the bond that he should "well and faithfully perform the duties of the office of policeman of said city during his continuance in said office for said term." In accordance with the weight of authority, the court held that the condition included liability for nonfeasance as well as misfeasance or malfeasance of the officer acting by virtue of or under color of his official duties.

In the second case, *Maryland Casualty Co.* v. *McDiarmid*, 157 N. E. 321, an additional question was raised as to the effect of a voluntary bond running to the city not required by statute. The city of Dayton was the obligee of a blanket bond covering a schedule of its officers including the police officer in question, which so far as the record showed was taken out by the city without any express authority of statute or of its charter or local ordinances. The court refused to go back of the contract itself, thus confirming the incidental power of the city to contract to bond its police as well as fiduciary officers. As the police officer did not himself execute the bond as principal and the statute of limitations had run in his favor, the defendant company was held primarily liable on its obligation, the period of limitation thereon not having expired.

In neither of these cases did the facts upon which the plaintiff recovered his judgment impose any liability upon the obligee city, due to the principle of immunity of municipal corporations in the discharge of police functions. As in the case of bonds of contractors on public works which are not subject to mechanics' liens, the rule supported by the weight of authority is that they are taken out for the sole protection of those furnishing labor or materials upon whom the law confers a right of action to enforce the penalty, so in these cases the court holds that as to police officers the only purpose of the bond is the protection of the interests of those injured by the wrongful act of the officer while acting in the discharge of the duties of his office. The extension of the American doctrine of such rights in third persons, not parties to but sole beneficiaries under a contract, to official bonds is supported by the great weight of authority. Upon this point and the question of the bondman's liability extending to acts done under color of official position, the reader will find in the cases of *Lammon* v. *Feusier*, 111 U. S. 17, and *American*

Guaranty Co. v. *McNiece*, 111 Ohio St. 532, 146 N. E. 77, 39 A. L. R. 1289, the authorities collected and reviewed. The recent Kentucky cases of *Brittain* v. *U. S. Fidelity & Guaranty Co.*, 293 S. W. 958 and *Young* v. *Amis*, 295 S. W. 431, present the minority view that the surety's liability does not cover acts done under color but beyond the scope of official duty.

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Torts—Boston Held Immune from any Liability for Personal Injuries Due to the Negligent Construction or Operation of its Subways.—The status of the Boston subways, constructed by the Boston Subway Commission, later transferred to the city of Boston and now operated by the Boston Elevated Railway Company, has been the subject of numerous decisions of the Massachusetts courts. Perhaps the most striking of these decisions in emphasizing the peculiar and unique position the city holds with respect to its subways is to be found in the recent case of *Bartol* v. *City of Boston*, 156 N. E. 844, which holds that although the statute provides that the city "shall have, hold and enjoy in its private or proprietary capacity for its own property the existing subway . . . and all rents, tolls, income and profits from all contracts . . . for the use of said subways," nevertheless, such ownership is still so impressed with a public use that no liability can arise against the city for injuries resulting from negligence either in their construction or operation. This decision is contrary to the almost uniform weight of authority in this country and in England. Although it cannot be justified upon theories of social ethics or of political science, it finds its logical basis in the peculiar doctrines of the immunity of the Massachusetts towns from tort liability, doctrines which the court evidently will not modify to meet modern conditions unless by express direction of the legislature. That Boston owns the subways in "a private and proprietary" capacity as declared by the legislature does not justify the court, in its opinion, in implying that the legislature intended the ordinary consequences of such a relation to apply to liability for tort; nothing short of a statute directly imposing such liability will suffice.

While such is the ground stated for this decision, it may be noted that the cause of the accident in the instant case was a structural defect in a landing platform due to faulty engineering which was in existence at the time the subway was transferred from the Boston Subway Commission to the city. It was upon this latter defensible ground that the operating lessee, the Boston Elevated Railway Company, was held also to be immune from liability in an action based on the same facts. The net result is that no personal injury caused by defects in the construction of the subway can be redressed in damages, a situation which plainly calls for remedial legislation.

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Initiative and Referendum—Construction of Provisions of Ohio Constitution.—The effect of the recent decision of the supreme court of Ohio in *State ex rel. Smith* v. *City of Fremont*, 157 N. E. 318, will be, according to the dissenting opinion of Justice Allen, to nullify completely the provisions of the state constitution giving to the electors a direct control over state and local legislation. In *State ex rel. Durbin* v. *Smith, Secretary of State*, 102 O. St. 591; 133 N. E. 457, the court had previously held that under the provision granting a referendum upon petition duly filed upon any statute or ordinance except when the legislative act was an emergency measure, the declaration of the legislative body that an emergency exists is final and not subject to judicial review. In the instant case, the city council upon a demand from the state board of health passed an emergency measure providing for the issue of $180,000 in bonds for the construction of a water filtration plant. A committee of the electors believing that such a plant was not the best remedy for the existing conditions, being precluded from exercising a referendum on the measure, circulated an initiative petition for an ordinance directing the abandonment of the Sandusky River as a source of the water supply and the drilling of additional deep wells to supplement the flow of wells owned by the city, the water of which was unobjectionable. This petition was filed June 28, 1926, the day before the final passage of the "councilmanic" ordinance and was ratified by the electors in November. On August 3 the city council passed another emergency ordinance authorizing the calling for bids for the projected filtration plant, the contract for which was let September 8. The question of the conflict of these ordinances was raised by mandamus proceedings praying for order directing the defendant officers of the city to proceed with the drilling of wells, etc., as provided by the ordinance adopted by initiative and referendum. In holding this latter ordinance void,

the supreme court states that the measure was simply an effort to thwart the action of the council in its policy of erecting the filtration plant; that to give validity to such a measure would nullify the constitutional provision excepting emergency measures from popular control by referendum.

Miss Justice Allen in her vigorous dissenting opinion concludes her argument by saying that "thus by judicial decision the constitution is amended and the voters of every municipality in the state are shorn of a most substantial share of the legislative power deliberately conferred upon them by the amendments to the constitution enacted in 1912." Chief Justice Marshall, who wrote an able dissenting opinion in the case of *State ex rel. Durbin* v. *Smith*, in which he clearly pointed out what would be the effect of that decision in holding that the legislative declaration of an emergency was not subject to review by the courts, concurred in the dissent of Justice Allen. Taking the two cases together, the conclusion of Justice Allen that the death knell of direct popular control of legislation in Ohio has been struck seems to be a reasonable inference.

Zoning—Effect of Ordinances Upon Restrictive Covenants.—In *Ludgate* v. *Somerville*, 256 Pac. 1043, decided by the supreme court of Oregon May 31, the question of the effect of a zoning ordinance including within a business district lands restricted by covenants to residential purposes was directly raised. The section of the city of Portland in which the land was situated was platted in 1908 and the lots conveyed with restrictive covenants running to 1932. In 1924 the city adopted a zoning ordinance which purported to permit the use of the lot of the defendant for business purposes. The lot in question was a triangular plant fronting on an arterial boulevard and had become very valuable as the location of a gas filling station and of comparatively less value for residential use.

In refusing to give any effect to the ordinance as modifying the force of the restrictive covenants, which equity will sustain unless waived by the parties interested or defeated by such a change as clearly neutralizes the benefits sought by the restrictions, the court states that after a diligent search of the authorities it has found only one case (that of *Gordon* v. *Caldwell*, 235 Ill. App. 170) which raised the same question. The precise question was decided, however, by the supreme judicial court of Massachusetts in November, 1926, in the case of *Vorenberg* v. *Bunnell*, 153 N. E. 884, involving the effect of the zoning ordinances of the city of Boston. The decision of the court in that case that zoning laws cannot constitutionally relieve land in the districts covered by them from lawful restrictions affecting its use for business purposes is now supported by the decisions in Illinois and Oregon. The question whether equity will specifically enforce such restrictions remains, as before the enactment of the zoning ordinances, a matter for the exercise of sound equitable discretion.

Zoning—Reactionary Decisions on Local Police Power in Mississippi and New Jersey.—In the July issue of the Review, we noted the influence of the decision in *Euclid* v. *Ambler Realty Company* as set forth in recent opinions of the courts of Tennessee and Colorado in upholding comprehensive zoning ordinances. In the *Appeal of Ward*, 137 Atl. 630, the supreme court of Pennsylvania has sustained the power of a city to exclude business enterprises from residence districts and in *Village of Western Springs* v. *Bernhaven*, 156 N. E. 753, the supreme court of Illinois upheld the power of a small village to zone all its area except that within a block of the C. B. & Q. R. R. exclusively as a residential area. In contrast to these rather liberal interpretations of the local police power, we find the tradition of a narrow and strict construction still influencing some of the state courts which have not yet recovered from the violence done their constitutional theories by the recent pronouncements of the federal supreme court.

In New Jersey for example, the delegated power of cities to regulate the location and conduct of livery stables and garages is well established (*Shait* v. *Senior*, 97 N. J. L. 390; 117 Atl. 517). Nevertheless, in *Savitz-Denbigh Co.* v. *Bigelow*, 137 Atl. 439, the supreme court awarded a peremptory writ of mandamus against the officers of the city of Newark to issue a permit for a public garage within the prohibited distance of "200 feet of a public school" on the ground that the language of the ordinance in order to protect the rights of property owners must be construed to mean not 200 feet from the school premises, but 200 feet by direct line to the school building itself. This construction might be defended if the only purpose of the ordinance

was to lessen the fire hazard, but the court must have unconsciously blinded itself to the fact that the safety of the school children from the danger of traffic congestion induced by such establishments is quite as valid a basis for the exercise of the police power at the present day, a consideration that may be entirely nullified if the school buildings happen to have an adequate park or playground bordering the street where the adjoining property owner wishes to establish his garage or filling station.

We have to go as far afield as Mississippi to find the supreme court of another state as conservative as that of New Jersey. In *Dart* v. *City of Gulfport*, 113 So. 441, the complainant sought an injunction against the operation of an ordinance which placed in a restricted district certain lands owned by him upon which he contemplated erecting a gasoline filling station, forbidden by one section of the ordinance in question. There was no question that the ordinance was duly enacted nor that the surrounding traffic conditions would justify the exclusion of a gasoline station within the designated area. The Supreme Court, in reversing the lower court which refused to issue an injunction against the municipal authorities, held that the standard state zoning act which delegated to the city the power to "regulate and restrict the erection, construction, reconstruction, alteration, repair or use of buildings, structures or land" within designated districts, has not empowered any municipality to prohibit or exclude any particular structure or use of the property therein included. The court gratuitously announces that it does not at this time pass upon the constitutionality of the standard state zoning act; it seems sufficient to nullify it by arbitrarily holding that regulation and restriction of use can never result in exclusion. The decision illustrates the perverse effect upon the cannons of judicial and constitutional construction that has been engendered in the controversy over the validity of zoning ordinances. No judge in this country so far as the records indicate, prior to a time within the memory of many practitioners, ever had the hardihood to assert that the delegation to a municipality of the power to regulate the erection and use of markets, livery stables, slaughter houses and many other lines of business precluded the power to exclude them from certain districts of its territory. Zoning restrictions based upon use have in many instances sound constitutional objections against them, but it is unfortunate that any court should attempt to justify conclusions that may be sound by a resort to a line of reasoning not supported by precedent or legal good sense.

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Bus Franchises Awarded in New York City.—After repeated postponements for a year and a half, the board of estimate and apportionment of the city of New York finally awarded the bus franchises. Soon after the present city administration, headed by Mayor James J. Walker, came into power the policy of establishing a general bus service throughout the city was adopted. The next step was the laying out of a system of routes for each of the boroughs by the board of transportation, of which J. H. Delaney is chairman. After the bus routes had been laid out a comprehensive form of franchise was elaborated and competitive bids were solicited. A large number of companies, most of them especially organized for the purpose, presented bids, and lively competition ensued.

One of the principal questions was whether the franchises should be awarded by boroughs, giving a grant to a separate company for each of the five boroughs, or to issue a city-wide franchise. The bids by the several companies were based partly on borough and partly on city-wide operation. When the several applications had been analyzed a report was made by Mr. Delaney on behalf of the board of transportation, favoring city-wide franchises and recommending that the grant be issued to the Equitable Coach Company which had offered not only the most favorable terms, but showed the financial capacity to furnish the most reliable service subject to adequate control by the city.

When the matter then came before the board of estimate and apportionment, which consists of the mayor, the comptroller, the president of the board of aldermen and the five borough presidents, sharp divergence of opinion developed as to policy. Three borough presidents preferred borough grants as against city-wide operation, and they were supported by Comptroller Berry. Mayor Walker and the president of the board of aldermen favored the city-wide system and were supported by two of the borough presidents. A further point of disagreement was whether the grants should be awarded to companies affiliated with the existing street railways for the purpose of coördinated service, or to wholly independent companies without street railway dependence.

A deadlock followed which has been responsible for the repeated postponements. The matter was not brought to a vote until a majority of the board formed a specific proposal. In the end, substantial compromises were made, and a majority vote was obtained principally in line with the mayor's policy of city-wide instead of individual borough grants, and to a company without street railway affiliations. An exception was made in the case of the Bronx for which the franchise was granted separately to a Third Avenue Railway Company subsidiary; in this borough the buses will be operated in "coördination" with existing railways which are a part of the Third Avenue system. For the other boroughs the award has gone to the Equitable Coach Company after the original bid had been revised and more favorable terms granted to the city. Substantial changes also had been made in the routing; in Manhattan the company will operate for the most part only cross-town, without competing with the longitudinal railway lines; a concession in the interest of agreement.

Almost immediately after the vote of the board was decided, judicial proceedings were started for an injunction against the awarding of a franchise to the Equitable Coach Company on the alleged ground that public hearings had not been properly held prior to the deciding vote, and that the award had been improperly made. The action, however, failed and the vote of the board was upheld. The next step at this writing is the granting by the transit commission of a "certificate of convenience and necessity," followed by formal award of the franchises. In the grant to the Equitable Coach Company, the city has full control and has obtained the maximum advantages available at the present time. The city's future course is free to establish a municipally-owned bus system whenever it obtains the legal right to do so, and chooses to "recapture" the bus properties. In the meanwhile, except for the single borough, the buses will be operated independently of the existing street railways and will, therefore, be given the full opportunity to prove themselves the more desirable and economical transportation agency. They will come in real competition with the existing street railways

and the survivor must be accepted as economically the more fit for the special transportation service. In New York the buses and service lines are primarily for short-distance riders, while the more long-distance traffic is carried by the subway and elevated lines. The bus lines are thus designed chiefly for local purposes and as feeders and distributors for the rapid transit system.

In the meanwhile, however, assuming that the formal proceedings for the full granting of the franchises will be completed, the independent bus company will probably not have a free legal course to devote its attention wholly to transportation. The street railways which will be affected by the buses, are expected to start court proceedings to prevent the competitive operation. Various questions of legal right and public policy will be raised. This promises to be a strenuous and long battle before the legal status of the buses will be fully decided. The experience of the bus operation, both in the field of transportation and litigation, will be of great importance to all municipalities all over the country. The policy adopted by the city of New York in dealing with the new mode of transportation is progressive and probably sound from the public standpoint. The results will be generally followed with the greatest of interest.

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Bus "Coördination" in New Jersey.—While the city of New York has decided for the most part upon an independent bus system which will not be financially and managerially connected with the existing street railways, the municipalities across the Hudson River in northern New Jersey have become, without their will or consent, subject to the opposite policy. There the buses are operated by a company which in fact is only a department of the Public Service Railway Company which in turn controls all the street railways in northern New Jersey. The buses are thus operated not as an independent system free to follow the best course of bus developments, but in "coördination" with the street railways. The scope and significance of "coördination" were involved in a matter that was recently heard by the Board of Public Utility Commissioners and was decided August 4 in a manner that was mostly unsatisfactory to the municipalities affected.

The development of bus operation in northern New Jersey has an interesting history and is characteristic of the particular locality. The Public Service Railway Company had a monopoly of street railway transportation throughout this large territory served, and in the exercise of the power was perhaps not always wise in the particular courses pursued. Consequently when the "jitneys" suddenly emerged about ten years ago, they found a ready welcome in the various municipalities. Out of the welter of early "jitney" operation, numerous independent bus lines emerged which operated on special permits granted by the municipalities. These lines came into active competition with the street railways and threatened the complete financial disruption of the existing mode of transportation. In this situation the Public Service management bethought itself somewhat tardily and concluded that in the interest of self-preservation it was better to buy out the competitive bus lines than to pursue longer the hapless course of competition.

The Public Service Transportation Company was thus organized as a special bus company which, however, was managed by the officers of the Public Service Railway Company and was in reality hardly even a separate operating department. To obtain control of all the numerous private bus lines, the new Transportation Company had to pay for the permits whatever prices were exacted. Some of the payments, as brought out in the recent hearings before the commission, were barely short of scandalous, and the average price was three or four times the physical value of the buses acquired. The Transportation Company was thus inaugurated with the terrific disadvantage of a grossly inflated capital account, and in addition was not a free agent to pursue its own economic course in working out its financial salvation. The private operators apparently had been able to do very well under their permits, which uniformly provided for a given zone and a five-cent fare. The Transportation Company, however, incurred large losses for rather obvious reasons; its long struggle to obtain control of all the private bus lines and the lack of freedom to compete actively with the street railways.

The case before the commission involved a special feature of "coördination." In several instances the acquired bus zones operated at a five-cent fare were considerably longer than the more or less parallel street railway zones operated likewise at a five-cent fare. The management sought an equalization of the zones by dividing the bus zones to bring them down to equality with the street railways,—not by

lengthening the railway zones to bring them up to the bus zones which had been specifically agreed to by the various municipalities in the special permits granted for bus operation. In at least three instances, however, there was no reality for even such proposed "coördination," because the street railways with which the bus zones were presumed to be out of harmony had been practically discontinued and only a "trace" of operation had been retained; the real purpose was the doubling of fares.

The municipalities affected naturally opposed the division of bus zones. The permits originally granted to the private operators definitely provided for a five-cent fare for the given zones; so it was urged that the new bus company should continue the obligations which it took over with the original grants. The case was keenly contested. In spite of the grave financial and operating handicaps of the Transportation Company during the first three years of operation, the fact appeared that by the close of 1926 the company had reached a self-sustaining financial position and was earning a fair return upon the reasonable investment in the properties. The principle was urged that bus fares and zones should be based upon the cost of bus operation without regard to cost or financial conditions on the part of the street railways. This view was in general approved by the commission in its decision on August 4. The zone changes proposed by the company, however, were nevertheless substantially approved although several modifications were ordered in the interest of better service and to avoid to some extent unwarranted duplication of fares. In the case of one of the municipalities, the zone points were fixed in the municipal centers, which serve as natural terminals for passengers, instead of the proposed municipal boundary lines which are wholly arbitrary in the establishment of zones. This modification, however, was not put into effect as to all of the municipalities.

The commission in this case was confronted with extremely difficult economic questions. The actual decision appears as mostly an evasion of the difficulties so far as the particular case was concerned, although the larger principle of freeing bus operation from the cost and financial requirements of street railways was clearly enunciated. The fundamental policy, therefore, seems to be established for satisfactory future treatment as to rates and zones on the two systems,—although there will always be the practical complications which in any given case will promote evasion.

The coördination of buses and street railways under the same management is an extremely difficult economic undertaking so far as the public interest is concerned. The two modes of transportation are so different, particularly as to relative investment and cost of maintenance, that they can hardly be operated by the same management without holding back the normal developments of the one in the interest of preserving the investment in the other. This appears to be the crux of the situation in New Jersey as was brought out by the municipalities. This difficulty will be largely avoided by the city of New York in granting the major bus franchises to an independent company which will not be under the financial necessity of coördinating bus with the street railway conditions.

There are, of course, phases of "coördination" that are economically desirable. Overhead costs can be greatly reduced and the spacing of cars and buses can be better arranged both in the interest of the public and to prevent sheer waste of service. But the difficulty is that the street railways inevitably have an enormous investment compared as with the buses. Consequently the "coördination" is likely to take the form of conducting bus operation in the interest of the much larger street railway investment. This is a fundamental consideration which should receive full consideration by all municipalities in determining future transportation policies in regard to street railway and bus systems.[1]

Maine Public Utilities.—This is a special report published as a number of the Bowdoin College Bulletin, prepared by Orren Chalmer Hormell, Ph.D., professor of government. The bulletin accomplishes excellently its purpose to bring together the principle data relating to the policies and methods of public ultility regulation with special reference to condition in the state of Maine.

The pamphlet (69 pages) presents, first, a general survey of public utilities, discussing their importance, distinguishing them from ordinary business, and outlining the necessary policies and methods for effective state regulation. It then considers in detail the situation in Maine, the scope of the utilities, the plan of regulation, the methods employed, and the special local problems.

[1] The fundamental economic and financial issues were carefully worked out in the municipalities' brief; copies may be obtained by request to this department.

The chief problem is the same as the one which affects regulation generally all over the country: the establishment of definite policies and methods by which effective regulation, especially as to rates, may be carried out. The Maine commission, just as commissions generally, is working under the loose provision to fix reasonable rates without stating specifically how the reasonableness shall be measured. It has consequently encountered the usual conflict in the determination of "fair value," with the result that the job of rate-making has gone to a large extent by default. It started out practically adopting actual cost of the properties as the proper basis of return, but as a result of the economic upheavals following the war it has shifted to reproduction cost; it has not, however, based its "values" wholly upon the prices prevailing at the time of the valuation. Professor Hormell clearly believes that actual cost furnishes the proper rate base, although he does not make this a specific declaration.

The second problem has been that of the consolidation of the numerous companies through the holding company device,—just as in all other parts of the country. The local companies have been left intact, for the most part, as they were developed through the grants of local franchises, but they have been gradually brought together under unified control through successive holding company arrangements. The result is that a single group, The Middle West Utilities Company, controls the local distribution of electricity in 40 out of 69 municipalities having a population of 2,000 or over. As to population served, the same group controls 72 per cent of 434,100 total population. The rest of the industry is divided between several less important groups.

The holding company development, just as elsewhere, has particularly affected the electric business. In Maine it has had the special result that although the production and distribution of electricity are as yet wholly local in their scope, the final managerial and financial control has been transferred principally to Chicago. At present there is little or no real community of interest between the localities served and the non-resident management. Naturally this is a difficulty in effecting satisfactory standards of regulation.

The holding company and the absentee control raise an unusual question in Maine. The state in 1909 provided specifically through the rather well-known Fernald Law that no electric current generated directly or indirectly by water power in the state shall be transmitted beyond its confines for ordinary electric light and power purposes. A sole exception was made in the case of railroads in the transmission of power for the propulsion of trains. The state has a considerable volume of undeveloped water power, and the statute was enacted for the purpose of safeguarding these resources for its industrial and social development. There is doubt, however, whether this local purpose can be economically realized.

The control by the outside interests over the local electric companies was at least in part achieved in order to assure that the local water power will be used where it may be most advantageously marketed. This situation involves a lively conflict of interest which will doubtless lead to grave political battles. It seems that the Maine policy as expressed in the Fernald Law can hardly stand against the modern forces of interstate economic activity. But there is, nevertheless, the problem how such natural resources may be conserved in the public interest, without falling under the control of large power interests and without practically nullifying the state policy of regulation. The answer probably is not in forbidding the transmission of Maine generated power to other states, but in providing suitable methods of control by which a sound policy may be carried into effect.

Perhaps the principal problem of effective regulation in Maine as elsewhere appears in the organization and personnel of the commission. The salary of the chairman is only $5,000 a year, and that of the other two members $4,500 each. The clerk receives $2,500 a year and the assistant clerk $1,500; the chief engineer only $2,500. In 1915 the total salaries of the commissioners and the staff amounted to $30,651, which had increased to only $40,650 in 1924. During the ten-year period there has been the increase in duties due to the growth of the utilities and to the great economic upheavals seriously complicating the task of regulation; also there have been new duties imposed by the Legislature. How the commission has managed its job at all, with the niggardly financial support provided by the state, is all but a miracle. If regulation has not been satisfactory to the people of the state, the salary roll will disclose at least one of the major reasons. Pennywise economy in dealing with an important public function is extremely costly in terms of failure to function as intended in the public interest.

GOVERNMENTAL RESEARCH CONFERENCE NOTES

EDITED BY RUSSELL FORBES

Secretary

The Governmental Research Conference was represented in the American contingent in Europe this summer at two important conferences. The first, the Third International Congress on the Science of Administration, was held in Paris during the latter part of June. It was attended chiefly by French, Belgian, Italian, German and Spanish delegates. The second was the Institute of Public Administration which is made up of British public officials. A distinguished group of Danish officials was in attendance by invitation. Luther Gulick attended both conferences and will report on them at the annual meeting of the Governmental Research Conference which will be held in New York City in November. A special visit was made also to the offices and library of the International Federation of Local Government Associations in Brussels.

⚜

Boston Finance Commission.—During July the Boston Finance Commission completed reports on the following subjects: purchase of site for school on Roxbury Street; decision of supreme court in Coleman case and filing of new suit in matter; and sale of unused, city-owned land.

⚜

Buffalo Municipal Research Bureau, Inc.—The Buffalo Bureau has been unusually busy since its establishment two months ago. The study of the city's financial practices and procedure, which was made the major part of the first six-months's program, is well under way and is being conducted by the local staff in coöperation with several staff members of the Detroit Bureau of Governmental Research. The study of Buffalo's water debt has been completed and certain suggestions and recommendations as to future policies have been made to the city commissioners. The water debt report was the first of a series of eight memoranda which will treat the subjects of budget procedure, purchasing, municipal revenues, general bonded debt, special assessments, assessments, and a general report on the financial condition of the city. It is hoped to complete the series by December 1.

The Bureau made a study of the proposed new charter for the city, to be voted on August 29, and in a public statement advocated its adoption by the electors "believing it to be superior to the existing charter in eleven major considerations." An analysis of these eleven points in detail was given to the public later in an issue of the Bureau's bulletin.

The bureau also has under way a survey of the park department.

⚜

California Taxpayers' Association.—During July the educational commission of California Taxpayers' Association coöperated with the state Purchasing Agents' Association and with the state department of education in working out suitable forms and recommendations for carrying into effect the new law passed by the last session of the legislature making possible the centralized purchasing of school supplies by counties. The educational commission is also conducting a nation-wide study of the workings of the county unit system of school administration.

The Santa Paula city committee of California Taxpayers' Association has just completed its field work and will soon have available a complete report upon which civic associations and public officials will try to adopt a budget plan for public expenditures.

⚜

Taxpayers' Research League of Delaware.—Recent newspaper statements that the per-capita cost of state government in Delaware is more than twice the average for the whole country caused considerable comment. The League published an analysis of the per-capita costs of the various services performed by the government in Delaware and in comparable states.

This analysis showed that Delaware pays more than the average per capita for general government, schools, public safety, conservation of natural resources, health and sanitation, libraries and interest on bonded debt; and less for highway maintenance, charities, hospitals, corrections, recreation, public-service enterprises, and miscellaneous services. The high point in the analysis was the fact that in 1925 Delaware spent $10.92 per capita for schools as compared with an average of $3.51 for all states. Using the United States Bureau of Education's figures, the League showed that of the total revenue receipts for school purposes in Delaware the state received and distributed 77.7 per cent, while the average state receives and distributes only 17.1 per cent.

At the request of members of the Public Lands Commission, the League compiled a digest of the laws concerning the public lands and the commission's past acts. The League has also assisted the National Tax Association's Committee on Simplification of the Federal Income Tax.

⚜

Taxpayers' League of St. Louis County, Inc. (Duluth).—A suggestion was made to Commissioner Phillips in July that a survey of Duluth's sewer system be started at once. The rain storm of July 16 emphasized the need for improvement along this line. On August 1 a resolution was introduced by Commissioner Phillips appropriating $10,000 for the purpose of making a thorough study. The resolution was adopted by the city council.

The police manual which was drafted by the League some time ago has finally been ordered printed. This manual should not be confused with the civil service classification referred to in the report of last month. It is a printed booklet containing instructions for all members of the police force.

⚜

Erskine Bureau for Street Traffic Research, Harvard University.—Dr. Miller McClintock, director of the Bureau, has been engaged for several months in a street traffic study in San Francisco. The survey was sponsored by a committee representing twenty-one local state and national organizations. The report of the survey, comprising 356 pages, was issued early in August.

⚜

Citizens' Bureau of Milwaukee.—A simplification of the description of property for tax billing purposes has been worked out by the Citizens' Bureau of Milwaukee in coöperation with city officials. The necessary legislation has been passed by the 1927 legislature. Clerical work now done by the assessors will be dispensed with and the addressograph will be used. Each parcel of property will be given a number which will be recorded on the addressograph plates, and on sectional maps of the city. The present force of assessors will now be ample, in spite of the growth of the city, as a result of this reorganization of their work. Every taxpayer will be able to keep his title description and without the aid of a lawyer know that he has at least paid a tax for property in his own block. Twenty-five hundred cards and descriptions have already been written out; a total of 100,000 is required.

⚜

Research Bureau, Newark, N. J. Chamber of Commerce.—At the present time the following subjects are engaging the attention of the Chamber, on which work has been or is being done by the Research Bureau: The council-manager plan of government for Newark; proposed thirty-million dollar state highway bond issue; continuation study of the effect upon highway revenue of the recently instituted gasoline tax; study of reports and notes thereon in connection with what is known as the Wanaqua Watershed Development; and preparation of a detailed plan to institute a "get-out-the-vote" campaign.

⚜

Institute for Public Service, New York.—(submitted by William H. Allen, Director.) After nine months of planning a permanent organization, the Municipal Economy Committee has decided to abandon its program for the present. The lack of facts, and of nonpartisan effort to obtain and use facts about the tax dollar was unanimously conceded. The centrifugal forces were too strong, however.

Many of us felt that a great service had been rendered when the dominant business agencies announced last October that they were going to get budget facts currently for their members and for the public. Officials promised and gave coöperation. The press gave publicity. The town became budget conscious again.

Two outstanding budget results to which the Municipal Economy Committee notably contributed are of concern to all cities: items totalling $12,000,000, formerly borrowed and then paid

out of debt service though definitely known in advance, were put in the budget instead of various dispensable increases and extensions; and for the budget estimates for next year a separate column is promised to show salary increases and other changes between January and July, 1927.

The Institute for Public Service brought the agencies together last year under the chairmanship of former comptroller H. A. Metz. George C. Pratt of the Merchants' Association joined Mr. Metz in the initial invitations. The president of that Association and George McAneny were vice presidents. As recently as mid-July it seemed that the majority of agencies were determined to go forward, although the Merchants' Association and two others had withdrawn.

The Institute will push another boulder up the same hill, for New York too desperately needs this kind of governmental research to tolerate continued lack of it. While organizing another group for a strong independent committee, the Institute is publishing facts about bus franchises to the highest bidder without public hearings, inequitable assessments, budget comparisons, failure to levy special assessments upon the few who will be enriched three to five billions by the new subways, the $300,000,000 debt limit extension, and the comptroller's failure to protect the public when he records himself as not voting instead of exposing and opposing what he considers costly errors and evils.

✠

National Institute of Public Administration, New York.—An informal conference on public welfare in government was held on July 28 and 29 at the offices of the National Institute of Public Administration in New York. Those in attendance were: Frank Bane, state commissioner of public welfare, Richmond, Va.; Charles A. Beard, consultant to National Institute of Public Administration, New York City; C. C. Carstens, director, Child Welfare League of America, New York City; Richard K. Conant, state commissioner of public welfare, Boston, Mass., William J. Ellis, commissioner, state department of institutions and agencies of New Jersey; John L. Gillin, professor of Sociology, University of Wisconsin, Madison, Wis.; Porter Lee, director, New York School of Social Work; Carl E. McCombs, National Institute of Public Administration; R. E. Miles, director, The Ohio Institute, Columbus, Ohio; Dr. Ellen F. Potter, medical director, state department of institutions and agencies of New Jersey; Ruth Taylor, deputy commissioner of public welfare, Westchester County, New York.

The outline of questions for discussion at the conference was as follows:

1. *Public Welfare Functions*
   (a) What services of government are properly to be included in the field of public welfare administration?
2. *Public Welfare Organization*
   (a) What type of administrative organization is best adapted to state and local requirements?
   (b) What should be the relation between state and local administrative agencies?
   (c) Should emphasis be placed upon the utilization of the county as the unit of local administration or should the local agency be designed to serve a community of social and economic interest rather than a political subdivision?
3. *Public Welfare Research*
   (a) What special research problems are in need of the attention of public and private welfare agencies?
   (b) To what extent is it practicable for state and local administrative agencies to undertake research, and how should they be organized for such purpose?
   (c) How can the various agencies interested in the promotion of public welfare research be brought into closer coöperation for the development of a purposeful research program?
4. *Financing Public Welfare Work*
   (a) Should local official public welfare agencies be financed in part by federal, state, or private subsidies or grants in aid? If so, to what extent and for what special purposes?
   (b) What public welfare services, if any, can be made wholly or partially self-supporting?
   (c) Is it practicable to work out minimum, standard public welfare budgets for states and local communities of various sizes assuming common administrative responsibilities of the agencies concerned?
5. *The Relation of Official and Unofficial Agencies*
   (a) What public welfare services can best be performed by private or unofficial agencies?
   (b) To what extent should official administrative agencies be authorized by law to advise and supervise the activities of unofficial agencies?
   (c) What is the best plan for securing the coöperation of unofficial agencies in support of the official program?
   (d) Should government provide financial aid to unofficial welfare agencies and, if so, on what basis?
6. *Public Welfare Education*
   (a) What instruction in public welfare organization aims, ideals, and methods should be offered in colleges and universities?

(b) What should the curricula of special schools of social work include with respect to government administration of public welfare work and related subjects, such as budget and finance, police, fire, health, public works, building regulation, parks, recreation, markets, etc.?

(c) What media can best be used for popular education in public welfare, and how?

7. *Public Welfare Statistics*

(a) What recommendations can be made to the United States bureau of the census for the improvement of its statistical compilations bearing upon public welfare, such as public expenditures, character and composition of people, social and economic conditions, inmates of institutions, etc.?

(b) What can be done to improve the statistical reports of public welfare agencies so that the information presented may be more readily compared?

(c) What statistical tests can be developed for the measurement of the efficiency of public welfare work?

(d) What cost units can be devised to permit better comparison of expenditure and the results of expenditure?

8. *Public Welfare Legislation*

(a) Is it practicable to draft a model code for state administration of public welfare work? If so, what should such a model law contain with respect to organization, functions, and administrative methods?

9. *The Form of Government in Relation to Public Welfare Administration*

(a) What form of state government is best adapted to efficient administration of state public welfare agencies and institutions?

(b) What form of local government is best adapted to efficient administration of local welfare work and to the maintenance by the state authority of desirable standards?

A report on the proceedings of this Conference will be published in a later issue of the NATIONAL MUNICIPAL REVIEW.

The National Institute of Public Administration is again serving as the research staff of the New York State Joint Legislative Committee on Taxation and Retrenchment. Luther Gulick and other members of the staff have worked with this committee every year since 1919. Senator Seabury C. Mastick, chairman of the committee, has announced that this year's investigations will deal with certain phases of educational finance.

Philip H. Cornick, of the Institute staff, has completed a study of special assessment methods in the twenty largest cities of Arkansas, Oklahoma, Texas, Arizona, California, Oregon, Washington, Colorado, Missouri, Illinois, and Michigan. In September he will continue his investigations in Ohio, Wisconsin and other states of the middle west.

Bruce Smith went to France in July. Sarah Greer, librarian, is in Paris partly for a vacation and partly to assist in the reorganization of the public administration library of the Ecole National de l'Administration Municipale.

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Osaka Society of Municipal Research, Osaka, Japan.—The first National Conference on Municipal Topics was held in the central public hall of Osaka from May 19 to 21, under the auspices of the Osaka Society of Municipal Research. Delegates numbering more than 500 were present from every section of Japan, including mayors, engineers, and students of government and civic affairs.

The first two days of the conference were devoted to sectional meetings on the four following subjects: fire fighting; plans for slum improvement; city planning and zoning; and park problems.

The last day of the conference was given over to tours of inspection of governmental activities in Osaka and neighboring cities.

A town planning show was held in connection with the conference, with exhibits on the subjects of the sectional meetings.

At the suggestion of Dr. Seki, mayor of Osaka, a permanent organization was formed and an executive committee was appointed to arrange for the next annual meeting.

NOTES AND EVENTS

EDITED BY RUSSELL FORBES

Western States Taxpayers' Conference.—The fifth annual Western States Taxpayers' Conference will be held at Santa Fe, New Mexico, September 1, 2, and 3. This conference will be attended by representatives of taxpayers and taxpayers' associations of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington, and Wyoming. An interesting program has been arranged. Among the speakers will be George Vaughan of Little Rock, Arkansas, and William Bailey of Nephi, Utah, both past presidents of the National Tax Association. Dr. H. L. Lutz of Leland Stanford University will participate in the discussions. Other speakers will include Ex-Governor E. B. Colquitt of Texas; Senator J. D. Robertson of Idaho; and Ex-Governor H. J. Hagerman of New Mexico.

⚜

Other Conventions.—The assembly of civil service commissions will hold its twentieth annual meeting in Buffalo, September 13 to 16. The program will cover many of the problems in the administrative work of selecting employees for governmental service. Headquarters will be at the Hotel Statler.

The annual convention of the International City Managers' Association will be held at Dubuque, Iowa, September 13, 14 and 15.

⚜

Government Costs versus Population.—Does large population mean low per capita taxation? Most "booster" groups claim that it does and argue that the most effective way to reduce the tax burden is through attracting more people to the city. This theory is questioned and analyzed by the Citizens' Research Institute of Canada in *Tax Conference Report No. 52*. The report shows that taxation increased faster than population in the seven largest Canadian cities between 1921 and 1926, while cost of living was not higher in the latter year. In the older and more thickly populated sections "the tendency to higher costs in the larger cities is extremely noticeable."

London Squares Privately Owned.—London's public squares and garden spaces are owned for the most part by private individuals or corporations. Recognizing the danger of their extinction through building construction, the government is taking steps to secure them for public use by parliamentary action. A Royal Commission is proposed to investigate the intricate legal questions involved in securing public ownership. At the present time not over sixty of the total number of three hundred squares and gardens are safe from private use or sale.

⚜

High Pressure Water System for Washington, D. C., Disapproved by Committee.—In its final report to the District Commissioners, a committee of investigation has unanimously disapproved the proposed installation of a high pressure water system which would have cost about $3,000,000. Instead, the committee recommended an immediate appropriation of $700,000 to provide an adequate water supply by enlarging the present mains, and to bring the fire-fighting equipment up to date. The committee further recommended that the building code of the district be amended to require installation of sprinkler systems and standpipes in all buildings deemed "conflagration breeders." The membership of the committee was as follows: George S. Watson, chairman, chief engineer of the fire department; Daniel E. Garges, secretary of the committee and of the Board of District Commissioners; George N. Thompson, secretary of the building code committee of the United States Department of Commerce; Charles A. Peters, Jr., assistant engineer, office of public buildings and public parks of the national capital; and David M. Lea, fire insurance man and member of the Washington Board of Trade.

⚜

Metropolitan Districts.—The intimation that the Census Bureau will adopt a new method of estimating the boundaries of metropolitan dis-

tricts for the census of manufactures has stimulated a movement in North Jersey to form a North Jersey Metropolitan District. The plan extends only to the securing of recognition for census purposes, but if successful may be the first step in the creation of a truly regional spirit in this thickly populated area.

⚜

New Editor for Public Management.—Rolland S. Wallis, formerly city manager of Manistique, Michigan, took up his duties on July 21, as editor of *Public Management*, a monthly devoted to the conduct of local government. This magazine is the official organ of the International City Managers' Association in promoting the development of a technique of local government administration and a profession of municipal business managers. John G. Stutz continues as executive editor.

Mr. Wallis is particularly well qualified for the editorship of this magazine. He has had nine years' of experience as a teacher of various courses in municipal government, including water supply engineering, sanitary engineering, municipal economy, elements of city planning, landscape engineering, and roads and pavements. For five years he was connected with the University Extension Division of the Iowa State College as a municipal engineer. In this capacity he planned and conducted short courses for city officials, and compiled and edited a number of books and bulletins on the conduct of city business.

⚜

City-county Consolidation Rejected in Portland, Oregon.—The proposed consolidation of the city of Portland, Oregon, with Multnomah County was disapproved by the voters at a referendum on June 28. *The Oregon Voter* for July 2 offered the following explanation of the election result: "The city and county consolidation amendment was a good measure, but in the absence of a crisis requiring its ratification there was really no chance to get it through. Any measure of this kind will be opposed by office-holders who fear something may happen to them if a change is made. Their opposition always will kill this kind of a measure until such time as public opinion is thoroughly awake on the subject."

⚜

Two Important Conferences—The editor received the following letter from Thomas H. Reed describing the recent Commonwealth Conference in Iowa City and the Institute of Public Affairs in the University of Virginia:

"It has been my privilege this summer to attend two remarkable conferences of especial interest to students of American government. The first of these was the annual Commonwealth Conference held toward the end of June at Iowa City under the able direction of Professor Benjamin F. Shambaugh. The general topic of the conference this year was municipal government. The five round table sessions were devoted to consideration of the legal status of the city, the police problem, public utilities, budgets and improvement of municipal organization.

"The round tables took place in the former senate chamber of the "Old Stone Capital"—a room of dignified and simple beauty. The center of the room is occupied by a huge square table with rows of chairs facing it from three directions. Immediately around the table sat a group of specially invited participants including W. B. Munro, A. R. Hatton, L. D. Upson, William Anderson, Morris Lambie, Gale Lowrie, C. E. Merriam and many other well known students of municipal affairs. Outside this circle sat the interested citizens who had come from all over Iowa and from neighboring states to take part in the conference. At each session a different leader opened the discussion with a twenty minute statement of the problem. Then one after another the group at the table went into the fray. They battled freely and without gloves. There probably has never been better or more vigorous discussion of the questions raised. Occasionally someone among the spectators would come in with questions or observations. At the end of the session the leader had a few minutes in which to reassert his position. The attendance ranged from a hundred to one hundred and fifty at the round table sessions. The attendance was somewhat larger at the two evening sessions where brief informal addresses were made by Charles E. Merriam, Isadore Loeb, Thomas H. Reed, A. R. Hatton and W. B. Munro.

"The Institute of Public Affairs held at the University of Virginia, August 8–20, has received extensive publicity in the papers of the country. The remarkable beauty of the surroundings, the historic associations of the spot and the long list of distinguished and brilliant speakers who addressed the Institute combined

to make a deep impression on all those fortunate enough to attend it. It is possible that this institute will become a permanent feature of American life, doing for American government what the Williamstown Institute does for international affairs.

"Dean Charles G. Maphis of the University of Virginia Summer Session is to be congratulated on the energy and wisdom displayed in its organization. The backbone of the serious work of the Institute consisted of six round tables, holding six sessions each:

State and County Government—Dr. A. R. Hatton.

Farm Relief—President John L. Coulter.

Economic Development of the South—Prof. Gus W. Dyer.

Municipal Government—Thomas H. Reed.

Growing Tax Burdens—Mark Graves.

The Influence of the Press—Victor Rosewater.

"At 11.30 in the morning and 8.30 in the evening of each day, except Sunday, public lectures took place. It was to this feature that the Institute owed its extensive publicity. W. G. McAdoo, Albert C. Ritchie and Carter Glass could not engage in impassioned debate of the prohibition question without exciting nationwide comment. As for the attendants on the Institute, they forgot their midday meal to listen. Henry W. Anderson, Republican lawyer of Richmond, produced an almost equal effect with his discussion of the "Solid South." Among the other distinguished speakers were Governor Byrd of Virginia on state and county reorganization; Senator Bruce of Maryland on prohibition; Justice John H. Clarke on the League of Nations; Ex-Governor Henry Allen on the St. Lawrence waterway and other subjects; Ogden Mills on treasury financing, etc.

"There are institutes and institutes, but if one wants a profitable study of some serious question plus entertainment, exhilaration and the most unique university atmosphere in America let him come to the Institute of Public Affairs of the University of Virginia."

THOMAS H. REED.